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ISRAELI TROOPS KILL 3 PALESTINIANS — Family members surrounding the coffin of Hassan Abu Thuraya, a member of Yasser Arafat's elite guard unit. He was one of three men killed Wednesday by Israeli border troops as one of the Palestinians tried to sneak from Egypt into Gaza. Page 10.

Squabbles Threatening To Sidetrack G-7 Summit

By Alan Friedman

International Herald Tribune

HALIFAX, Nova Scotia — If the leaders of the Group of Seven leading industrial nations were members of a corporate board of directors, their squabbles would probably paralyze the company.

The indecision and deep divisions over strategy will be apparent Thursday, when the G-7 government chiefs arrive here for the start of their annual economic summit meeting.

The main unanswered question is to what extent the G-7 leaders — who together represent countries accounting for about 50 percent of the world economy — will need to paper over the differences when they issue their final communiqué.

Especially troubling for this summit meeting is that it risks being distracted if not derailed from its economic purpose by the violence in Bosnia, concern over France's decision to resume nuclear testing and — most of all — by the bad blood between the United States and the world's two most important other economies — Japan and Germany.

This distraction is especially troubling because it comes amid signs of slowing economic growth throughout the G-7.

Washington and Tokyo have been on the brink of a trade war since May 16, when the United States threatened to impose \$5.9 billion worth of punitive tariffs on Japanese autos unless Tokyo opened its market to U.S. cars and car parts.

The European Union, with the support of France, has launched repeated public attacks on Washington and praised it in private while simultaneously cozying up to the Japanese leadership. The tactic is an apparent effort by Sir Leon Brittan, the trade commissioner, to score by playing both sides of the dispute.

Relations between the United States and Germany have suffered, meanwhile, because of repeated public and private criticism of the Clinton administration's economic policies by government officials in Bonn and by the Bundesbank in Frankfurt.

"They don't know what they are doing in Washington on the dollar or the deficit, and their handling of the Mexican crisis was a mess," a senior German government

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Sex Slaves: Japan Shows Remorse

By Nicholas D. Kristof
New York Times Service

TOKYO — In an effort to atone for Japanese behavior during World War II, the government announced the establishment Wednesday of a fund to help tens of thousands of women whom the Japanese Army forced to be sex slaves during the war.

The fund is an attempt to settle a long-standing irritant in relations with other Asian countries by showing remorse for forcing "comfort women," as they were then called, to serve troops in front-line

brothels. Most of the women were Korean, but some were Dutch, Indonesian, Filipino and Chinese.

The proposal falls short of what victims have been asking for, however. In addition, as a show of remorse it was undermined when legislators in the upper house of Parliament killed a resolution on Wednesday expressing remorse for Japan's conduct during World War II.

The lower house of Parliament approved a weak resolution of remorse on Friday night, but only after a majority of members either stayed away or voted no.

That resolution included no apology, and says only that Japan engaged in some "aggressive-like acts" in the context of other countries doing the same things.

Resolutions are statements of each individual chamber in the Parliament, so the lower house declaration still stands. But as a show of national remorse, it was undercut by the informal decision of upper house legislators not even to consider such a resolution in the current session.

In announcing the fund for the sex

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AGENDA

Rebel Iraqi Unit Sets Off Battle

AMMAN (AFP) — An armored unit mounted a rebellion on the outskirts of the Iraqi capital, Baghdad, on Wednesday and vowed to "fight to the death" in a showdown between the authorities and the powerful Dulaimi tribe, witnesses said.

The 14 July battalion attacked Baghdad Radio transmitters and a private heliport of President Saddam Hussein in the Abu Ghraib area, 20 kilometers (12 miles) west of the capital.

The attack, led by General Turki Ismail al-Dulaimi, triggered a battle with tanks, armored vehicles and helicopters, the witnesses said, contacted by telephone from Amman.

An air force general was killed in the fighting around the heliport where several homes of pilots were hit, they said.

The attack, led by General Turki Ismail al-Dulaimi, triggered a battle with tanks, armored vehicles and helicopters, the witnesses said, contacted by telephone from Amman.

At the same time, Australia and New Zealand froze military ties with France in protest.

The 15-nation South Pacific Forum condemned the decision by President Jacques Chirac to conduct eight underground tests in French Polynesia in the South Pacific between September 1995 and May 1996.

"This flagrant disregard for world and regional opinion will do considerable damage to France's relations" with countries around the Pacific, said Jeremie Tabia, secretary-general of the forum.

Asian officials said they feared that Paris' resumption of tests would encourage China to press ahead with its own program to develop a new generation of longer range and more accurate nuclear weapons with multiple warheads, despite strong opposition in the region.

Until Mr. Chirac reversed the no-test decision made in April 1992 by his predecessor, Francois Mitterrand, China was the only one of the five declared nuclear powers that had refused to observe a moratorium on testing.

Officials in the Pacific region expressed concern Wednesday that the French move would upset negotiations to bring a formal ban on all nuclear testing into force by the end of 1996.

Prime Minister Paul Keating of Australia

Asia-Pacific Nations Angered Over French Nuclear Tests

Japan Says Paris 'Betrayed a Trust'

By Michael Richardson
International Herald Tribune

SINGAPORE — In a sharp setback to French efforts to improve relations with nations in the Asia-Pacific region, Japan on Wednesday accused Paris of "betraying" the trust of nonnuclear states by deciding to resume nuclear testing.

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The pledges were made to the international conference in New York that voted to extend indefinitely the Nuclear Nonproliferation Treaty, in the expectation that all testing would be halted immediately.

Japan was so upset by France's an-

nouncement that its foreign minister, Yohei Kono, conveyed Tokyo's protest in a personal telephone call to Hervé de Charette, the foreign minister of the new French government.

According to the Japanese Foreign Ministry, Mr. Kono told Mr. de Charette: "The French decision seriously betrays the trust of nonnuclear states."

The French decision comes on top of other discouraging noises being made by the nuclear powers. Ramesh Thakur, head of the Peace Research Center at the Australian National University in Canberra, said that the French and U.S. military establishments were arguing that a nuclear test should be defined to exempt low-

yield nuclear weapons.

Charles Millon, the French defense minister, said that eight French tests — after more than a thousand by the United States — could not be viewed as a dangerous precedent liable to foster nuclear proliferation.

In any case, Prime Minister Alain Juppé

said Wednesday, France sees the reliability

Chechen Gunmen Kill 10 in Russia and Take 200 Hostages

By Lee Hockstader
Washington Post Service

MOSCOW — Dozens of gunmen believed to be Chechen rebels raided a town in southern Russia on Wednesday, setting homes and government buildings on fire, spraying the streets with automatic weapons fire and killing at least 10 police officers and civilians in fierce fighting before fleeing with 200 or more hostages.

Although officials in Moscow immediately accused Chechen rebels for what they called an act of terrorism, there was no immediate way to confirm who was responsible for the attack on Budennovsk, a town of 54,000 people about 200 kilometers (120 miles) north of the border with Chechnya.

If the gunmen do turn out to be rebels, the assault would mark the first time they have made good on long-standing threats to carry their separatist struggle beyond the borders of Chechnya to strike at Russia.

The gunmen who attacked the town raised a Chechen flag over the city hall, Agence France-Presse reported, quoting news reports in Russia. Russian television broadcast footage from Budennovsk showing one of the attackers holding the green, white and red flag that is the symbol of the Chechen independence drive.]

A spokesman for President Boris N. Yeltsin blamed the Chechens, who in recent weeks have suffered a number of sharp military setbacks in their six-month-old war against the Russian Army.

"The president is deeply concerned by the terrorist attack of Chechen militants in the Stavropol region, which resulted in casualties, hostages, disruption of the constitutional order," Mr. Yeltsin's spokesman, Sergei Medvedev, said.

The raid on the town appeared to be carefully planned. Russian media reports said that anywhere from 30 to 100 men, armed with assault rifles and grenade launchers, entered the town at midday in two large trucks, apparently accompanied by a pair of stolen police cars.

They were able to bypass checkpoints by telling the police that the trucks carried the bodies of dead Russian soldiers from the fighting in Chechnya, the reports said.

Once in the town, they split up into small groups and fanned out to a number of selected targets, the reports said.

The attackers seized or besieged government buildings, including the local headquarters of the Federal Security Service. At the police station, they engaged in a fierce firefight with officers who barricaded themselves inside.

The Interfax news agency reported that the gunmen also attacked a public hospital, setting up a machine gun on the roof, and the local communications center, cutting phone links with the city and taking hostages.

Officials in the Stavropol region, where the town is located, said there was also fighting around a major chemical plant.

The Russian press agency Itar-Tass quoted sources as saying that the attackers had tried but failed to blow up the plant.

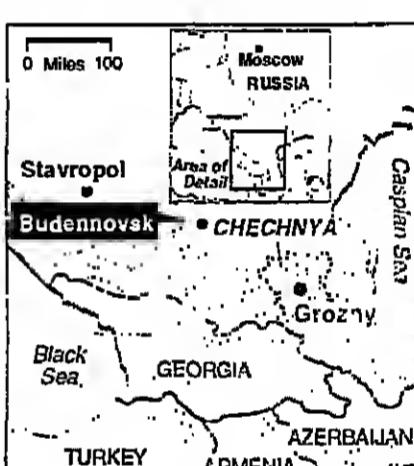
Six police officers were reportedly killed, including the chief of the local criminal division. Other reports said that a bus with six passengers had been blown up, and that other buses carrying students were seized by the gunmen.

Eight of the attackers were reported captured in the attack.

After a few hours, the attackers were reported to have fled in small groups south toward Chechnya.

Oleg N. Soskovets, the first deputy prime minister, said all airports in the region would be closed at midnight. And the authorities said that security was being intensified in Moscow, including increased surveillance of 86 sensitive sites.

Itar-Tass quoted unconfirmed police reports that the trucks that carried the attackers had crossed the administrative border between Chechnya and Stavropol.



West Stresses Goal Of Total Ban in '96

By Joseph Fitchett
International Herald Tribune

PARIS — In contrast to vociferous protests from the Pacific area about France's decision to resume nuclear tests, the United States and other major Western governments took the decision in stride Wednesday, seeing it as the price of getting France to sign up next year for a permanent halt to testing.

"The comprehensive test ban treaty is what we really care about, and this last

NEWS ANALYSIS

series of tests was always likely to be the political price," a Clinton administration official said.

At a press conference in Washington Wednesday, President Jacques Chirac was unmoved by the international dismay.

Appearing at a press conference with President Bill Clinton and Jacques Santer, president of the European Union Commission, he said: "I am not at all willing to go back on my decision."

Western diplomats in Paris minimized the concern, voiced in some capitals, that a final series of French tests would cause political damage by undermining the international consensus on reducing the role of nuclear weapons.

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See FRANCE, Page 10

Burma Cracks Down on a 2,000-Year-Old Beloved, if Messy, Vice

By Philip Shonan
New York Times Service

RANGOON — With darting eyes and a conspiratorial whisper, an anxious Burmese merchant agreed to lead a prospective customer to the source of this newly

illegal drug.

"You must follow me," he explained, making his way through the dark maze of shops in a covered spice market, the air filled with a fragrant mist of curry powder and cinnamon.

For now, betel sales are outlawed only in Rangoon, but the junta clearly sees the chewing of betel as a crisis of national proportions.

The generals are concerned not so much about public health — while only a mild

stimulant, betel has been linked to oral cancer and gum disease — as about keeping the streets of Rangoon clean for foreign tourists, who are seen as the saviors of the Burmese economy.

"Betel chewers are tarnishing the beauty of the capital by spitting unceremoniously on roads, pavements, overpasses and at other places," the junta's Rangoon City Development Committee said in April in announcing the ban.

The government has posted a no-betel signs — a red circle enclosing the shadow of the face of a man spitting betel, with a red slash — and has closed hundreds of

street-corner betel stands, forcing the betel merchants to find other work.

Whatever anyone might think of this country's notoriously brutal generals, they do have a point about betel chewing and, more precisely, betel spitting.

For centuries, the streets of Rangoon have run red with betel juice, produced after several minutes of chewing and sucking on the bitter-tasting nut. For pedestrians, the results are unpleasant, if not unhygienic.

"I am sorry that the foreigners do not like to see the red stains in the street, but this is a habit I learned as a boy, just as my father did, and his father," said a 34-year-old factory worker, his teeth blackened and lips dyed a shade of scarlet, the evidence of a devoted betel chewer. (While betel sales are banned, chewing it is not, yet.) "How can the government suddenly tell us that we cannot enjoy this tradition?"

The Burmese junta loves to make rules, which is one more reason that it is so widely disliked among Burma's 45 million people.

The junta took power in 1988 in a violent crackdown on a nascent democracy, movement led by Daw Aung San Suu Kyi, the daughter of Aung San, the assassinated soldier considered the father of modern

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Dow Jones	Trib Index
Up 6.57	Up 0.47%
Up 449.08	Up 121.16
OM 1.401	1.403
Pound 1.612	1.5958
Ven 84.40	84.615
FF 4.3755</td	

Smuggling People / Big-Time Crime in Eastern Europe

Inventive Swindlers Prey on Desperate Aliens

By Raymond Bonner
New York Times Service

ZAKOPANE, Poland — On a recent Saturday morning, some three-score residents of this mountain community assembled at the ski jump for a trip to the United States, first by bus to Germany, then on Lufthansa across the Atlantic. They included a grandmother and her 3-year-old granddaughter, a mother and her three children, several unemployed women in their 20s and a few men in their 70s. Each had paid at least \$6,000.

They had paid the money as sponsors of a local sports club and were accompanying the national weightlifting team to a competition in Chicago — or so their documents said.

But the only thing these people were sponsoring was their own entry into the United States. No sports team was going to Chicago, or anywhere else.

It was all organized by the chairman of the club, who had been successful in the past in getting Poles without valid visas into the United States, said two people who signed up for the most recent attempt. This time, though, an immigration officer at the Frankfurt airport suspected that the American visas were forged, which turned out to be, officials said. The immigrants were sent home.

The case is part of a growing phenomenon of trafficking in illegal immigrants from and through Eastern and Central Europe.

Immigrants from Sri Lanka, Bangladesh, and Afghanistan, and from Africa and the Middle East are being smuggled to the West, moved along routes that have developed since the Communists fell and, with them, rigid border controls. They are being moved in many ways, among them freight-hauling trucks and ship cargo containers.

WHAT worries officials most is that international crime syndicates are getting involved in illegal immigration.

"There are tangible indicators that the smugglers of stolen automobiles and illicit narcotics have decided to diversify their portfolio to include alien smuggling," Thomas Tass, a Canadian immigration official, wrote in a paper he delivered recently to a conference in Budapest.

"These organizations should not be underestimated in their ability to move thousands of people illegally from one country to another while earning huge profits with minimum risk," said Mr. Tass, who is based in Warsaw and is considered the leading authority on this issue.

Smuggling people fits well into an organized crime conglomerate. A desperate alien who cannot afford the fee may be allowed to go in exchange for carrying drugs, and the immigrant will be expected to work for the gang in the United States or Europe, as a prostitute or a drug dealer, to pay back the money, officials said.

As for profits, the organizer of the weightlifters' tour, Stefan Koziol, 35, took in nearly \$400,000, according to two women in the group. Mr. Koziol is now in jail on charges of fraud. He has not been charged with smuggling people, which is not a crime in Poland. Polish authorities declined to allow him to be interviewed, but he has said he is innocent.



Two Africans passing the time in temporary quarters in Hungary for would-be immigrants without residence permits.

The International Center for Migration Policy Development, a nonprofit, intergovernmental organization in Vienna, has calculated that illegal immigration syndicates in Europe raked in between \$100 million and \$1.1 billion in 1993.

The wide range in the estimate is a reflection of how little is known about the problem, the gravity of which is only beginning to register. Interpol has no coordinated campaigns in this area, officials said. The funds the European Union has made available for economic restructuring in Eastern and Central Europe can be used to combat drug trafficking, but not trafficking to illegal immigrants, said Tamas Kiss, who works for the Migration Policy Center.

The traffickers have been successful in staying ahead of ill-trained local police, who are inexperienced in dealing with this problem.

"It is like drugs — there are routes," said Colonel Attila Krisan, spokesman for Hungary's Border Guards, who seized nearly 15,000 illegal immigrants last year from scores of countries who were trying to move through Hungary.

Common European entry points for refugees from Asia, the Middle East and Africa are Romania and Bulgaria, which have

more lenient visa requirements and weaker law enforcement than other countries in the region.

EARLIER this year, somewhere in Romania, 60 Bangladeshis were loaded into the back of a long canvas-covered truck, which was hauling tomato paste to Germany.

The truck successfully crossed into Hungary and made the journey of several hours to Slovakia. In Slovakia customs officials lifted the cover and were shocked to find people. The men were heading for the West to find jobs and had paid \$2,500 to \$4,000 each to a trafficker.

For illegal Asian immigrants, Chinese restaurants in Eastern European capitals often provide a cover.

They provide the immigrants with work permits, which get them into the country.

After working for awhile, they move on — to Germany and, in many cases, to the United States, officials said.

"The raison d'être for these businesses goes beyond providing alternative menus" for local residents, Mr. Tass, the Canadian immigration official, noted wryly at the conference in Budapest.

He told of one Chinese restaurant in Prague

that employed more than 800 people. "Even more remarkable was the fact that the restaurant had only eight tables," Mr. Tass said.

Another growing gateway to the West is through the Baltic republics of Estonia, Latvia, and Lithuania. Immigrants moving through these countries, including large numbers from the impoverished former Soviet republics of Central Asia, then travel by sea to Scandinavia.

Many of the immigrants reach the Baltic countries via Moscow.

Last year, 64 Kurds and Pakistanis, including 26 children, were discovered in a sealed container on a car ferry from Tallinn, Estonia, to Stockholm.

In late May, the Polish police detained 49 Asians who had made it to the Baltic lands, then crossed from Lithuania into Poland, where their luck ran out.

Moscow has become a major transit center for migrants from Asia, Africa, the Middle East and Central Asia.

By train, bus or plane, they move west to Poland and the Czech Republic, and then on to the West.

German Touts Way To Snuff Out Fires With a 'Hot Bang'

By Brandon Mitchener
International Herald Tribune

FRANKFURT — When Reinhard Ries sees footage of forest burning in Sydney, along the coast of Spain or in Malibu, California, what frustrates him as much as the damage done is that nothing big ever burns close enough for him to take a whack at putting it out.

"It's too bad, but we've never had a forest fire here," Mr. Ries, the chief of the Frankfurt Fire Department, said with a sigh.

Together with an uncle, Winfried Rosenstock, who is an explosives expert, Mr. Ries hopes to test a method of fighting major blazes where they are more common — in Australia, the Mediterranean or the southwestern United States. The method they invented — the Rosenstock-Ries System, which is also called 2rs or the "hot bang" — has been patented and put on sale.

"Portugal wants to see it in any case," Mr. Ries said. "and Spain is more than interested."

In Australia, the Department of Forestry and Bush Fires is organizing a controlled test, and the armed services are "very, very interested," said Peter Mysliewicz, a 2rs representative in Melbourne.

The method consists of laying an oversized plastic hose with an explosive wire inside in front of an approaching fire wall — or around any large blaze — then filling the hose with water and blasting it into droplets that put the fire out in a kind of dense fog bank that expands at a rate of 100 meters (330 feet) a second.

The technique uses only a tenth the water of conventional fire-fighting methods and has the advantage of being administered exactly when and where it is needed.

"In Malibu, they could have used the swimming pools," said Mr. Ries, referring to fires last year that caused millions of dollars in damage in Southern California. "The water was right where they needed it, but no one knew how to use it."

Fire fighters did spray pool water on houses in Malibu, but the amount of water was dwarfed by the intensity of the fires. Mr. Ries said his method reverses the odds by dispersing hundreds of tons of water at the heart of a fire in a matter of seconds. The impact of the blast

snuffs out the fires and dramatically lowers the temperature.

Harold McCann, a retired Los Angeles fire chief, was skeptical when asked about the applicability of the technique in California.

"The 2rs system seems impractical," he said. "We don't put our forest fires — Mother Nature does."

But Rick Hinch, assistant chief officer for planning and technical support at the Western Australia Fire and Rescue Service, who first heard about the technique toward the end of the region's fire season a few months ago, said it had some potential and deserved a test in a live-action situation.

Peter Rechenbach, head of the technical department of the Hamburg Fire Department and an authority on fighting forest fires, also said the technique must prove itself.

So far, the technique has been tested successfully in controlled experiments in Germany and Australia. A videotape that shows the hot bang snuffing a large-scale wood fire and an airplane fire in a matter of seconds, leaving smoke, dew and small bits of plastic in its wake. Another test is scheduled for Aug. 31 in Frankfurt.

"The first tests leave a positive impression," Mr. Rechenbach said. "The hose can shoot a fire dead, but it doesn't quench the glowing embers below. What we have now is a technology without a comprehensive strategy."

In addition to its apparent effectiveness, the method attracts potential users because of its minimal cost and lack of risk to human life.

"The hoses are completely undangerous," Mr. Ries said.

Walter Heeg, head of the factory-fire force at Hoechst, the large chemicals company based in Frankfurt, said the technique "will go far beyond fighting forest fires."

Others see uses in logging, oil refining and cotton plantations and/or even say it could help slow global warming.

Tom Koenigs, a senior member of the environmentalist Greens Party in the Frankfurt city administration, is helping Mr. Ries sell the European Union on the idea of a mobile force of specially trained fire fighters based in Frankfurt and partly financed by the Union.

At 9 Out of 10 EU Beaches, the Water's Fine for Bathers

Reuters

BRUSSELS — For vacationers heading to the beach in Western Europe, there is mostly good news.

Figures for 12 European Union countries show that 90 percent of coastal zones designated for bathing met EU standards for water quality.

But, the EU cautions, it is wise to be wary. Germany, Britain and possibly the Netherlands.

More than one third of Dutch beaches break EU norms for waterborne bacteria, according

to the EU's 1994 bathing water quality report made public on Wednesday, which includes designated bathing beaches for which there were no data.

Among these is the popular Scheveningen beach next to The Hague and several beaches in Zeeland.

Figures for Britain and Ger-

many, where up to one in five designated beaches broke EU water rules, gave a truer picture of water quality because of more complete reporting.

The south beach at Blackpool, in northwestern England,

breaks EU water norms, as does the one at Brighton on the south coast.

And nudists testing the water on Germany's Sylt Island should also beware as they could be exposed to substandard water at all three of the upmarket Kampen's bathing areas.

The EU's tests measure bacteria in the water, mainly generated by human waste from sewage outfalls. The bacteria can cause a range of infections, including gastroenteritis.

But over all, vacationers

bound for summer breaks on EU beaches can take some comfort from a slight improvement in bathing water quality, a European Commission spokesman, John Iversen, said.

"There has been a slight improvement last year" in EU bathing water quality, he said. "This improvement in the quality of sea water has been constant for some years now."

Data for the new EU members Austria, Sweden and Finland are not included.

Vacationers prepared to take a gamble on the weather should

head for Ireland, top of the EU class for the quality of its bathing water in all designated areas, inland and coastal, which meets all the mandatory norms.

The warmer beaches of southern EU countries such as Spain, Greece, France, Portugal and Italy generally met the 90 percent average, though the latter two fell below.

In the 20 years since the water quality standards were adopted, there has been a gradual improvement for coastal waters, but the quality of inland

bathing areas has fallen. Only 65 percent of these designated zones met the standards.

Swimmers should also be aware that recorded improvements relate only to mandatory norms in zones the countries have designated as bathing areas.

Of the noncompulsory quality measures, perhaps the most controversial is one for "floating material."

The term includes discarded sanitary towels, condoms and human waste on the water surface.

TRAVEL UPDATE

Pharaoh's Tomb Located in Egypt

CAIRO (Reuters) — Egyptian archaeologists have discovered a pharaonic tomb believed to belong to a king of the 18th dynasty, under a house in the southern province of Luxor, the Supreme Council of Antiquities said.

"We believe there are many more tombs in the village of Kom el Mared that people have built houses upon," said Abdel Halim Nourredin, director of the council. Mr. Nourredin said the excavations could barely make out the inscriptions found in the tomb, but that they believe it could belong to a king called Tuthmosis who ruled Egypt nearly 3,500 years ago.

Relief depictions of the ancient god Anubis mummifying a body watched by Isis and Nepthys, two sister goddesses who guard the dead, are etched on the walls.

Air traffic in Scandinavia was paralyzed for the third day in a week on Wednesday when pilots working for Scandinavian Air Lines System went on strike over pay, SAS said. SAS said 800 flights would be canceled and 40,000 to 50,000 passengers affected by the strike during the day.

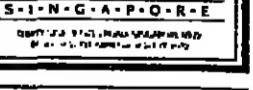
Muscovites also are enduring a record heat wave, with air temperatures of 29 degrees centigrade (85 degrees Fahrenheit) over the last three weeks. A stretch of the Moskva River southeast of Moscow was closed after health officials had found the bacteria that causes cholera.

(Reuters)

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EUROPE

Yeltsin Accepts Resignation of Lebed, a Popular General

By Steven Erlanger
New York Times Service

MOSCOW — President Boris N. Yeltsin accepted the resignation Wednesday of the Russian Army's most popular and outspoken commander, Lieutenant General Alexander M. Lebed, creating a powerful potential challenger for the 1996 presidential elections.

Gruff, honest, authoritarian in style and relatively moderate in his political

views, General Lebed, 45, has until now been a kind of Colin Powell of Russian politics: attractive but vague about his ambitions. Now he has become a sort of Douglas MacArthur in a country that polls say is yearning for strong leadership.

General Lebed, a former boxer and a veteran of Afghanistan who says he is an admirer of the former Chilean military dictator, Augusto Pinochet, has been a fierce critic of Russia's war in Chechnya and of Mr. Yeltsin's de-

fense minister, General Pavel S. Grachev.

In a brief telephone interview Wednesday night, General Lebed said he had no formal notification from Mr. Yeltsin.

"The president is sick and tired of me and I am sick and tired of him," he said.

General Lebed, who considers Russia still an empire and not yet a democracy, has recently joined the ruling board of a relatively moderate nation-

alist party, the Congress of Russian Communities.

Mr. Yeltsin clearly did not want to dismiss General Lebed and release him from military loyalty to the head of state. In August 1994, when General Lebed defied General Grachev over a transfer from his post as commander of the Russian 14th Army in Moldova, a former Soviet republic between Ukraine and Romania, Mr. Yeltsin supported General Lebed.

But Russia has signed a pact with

Moldova to withdraw the 14th Army, a decision General Lebed opposes as precipitate and likely to lead to renewed fighting between Moldovans and a breakaway Russian-dominated enclave.

Two weeks ago, faced with direct orders to disband his command and take another post, General Lebed wrote a letter of resignation and appeared before the Parliament, saying he wanted to prevent "another Checheny."

But Russia has signed a pact with

BRIEFLY EUROPE

EU Likely to Limit Fishing Rights

BRUSSELS — European Union fisheries ministers are expected to override Spanish objections and approve proposals on Thursday to control how much fishing each member state does in Western waters, EU officials said.

The proposals are linked to an EU decision last December to give Spain and Portugal full fishing rights off the west coasts of Britain and Ireland from Jan. 1, 1996.

So-called fishing effort limits, calculated according to fleet capacity and time spent at sea, are aimed at preventing increased fishing.

(Reuters)

More Political Strife for González

MADRID — Just weeks before Spain assumes the chairmanship of the EU's rotating presidency, a newspaper's revelation of possible illegal eavesdropping by Spain's main intelligence service has resulted in another political scandal for the governing Socialists and renewed calls for Prime Minister Felipe González's resignation.

Front pages of newspapers across Spain on Wednesday carried stories about the eavesdropping by CESID, the military intelligence service, that reportedly recorded conversations by everyone from King Juan Carlos to the president of Real Madrid, this year's first-division soccer champion.

Mr. González told reporters Wednesday that he first learned about the issue from the newspapers.

(AP)

New Threats to Major's Survival

LONDON — John Major's chances of surviving as prime minister were widely questioned on Wednesday as his government battled to control a new bout of infighting over Europe and a row over illegal arms sales to Iran.

Newspapers said the chance of a challenge to Mr. Major for leadership of the Conservative Party rose after a bad-tempered meeting between the prime minister and anti-European Conservative members of Parliament.

(Reuters)

Berlusconi v. Judges, Next Round

ROME — Coincidence it may be, but Milan's magistrates seem to time their punches to perfection in their bruising battle with Silvio Berlusconi, the former prime minister.

News on Tuesday that prosecutors want the billionaire politician put on trial for alleged tax fraud on a land deal broke after Mr. Berlusconi had tasted victory in referendums that could have forced him to break up his television empire.

But another government official here said he did not think the deal was in serious danger.

"Politically, this agreement is useful and serves Russia's economic interests," said Sergei Kislyak, director of the Foreign Ministry's security and disarmament department. "It is about conversion of weaponry, which costs a lot of money and which can be put to peaceful purposes."

Under the 1992 accord, Russia is supposed to provide 500 metric tons of uranium from dismantled Soviet-era nuclear weapons.

The Bush administration said in 1992 that the United States would pay Russia \$12 billion for the uranium, but added that that was only an estimate.

Calendar

European Union events scheduled for Thursday, June 15

STRASBOURG: Parliament votes on the situation in Chechnya and relations with Russia, and debates the issue of French nuclear testing.

LUXEMBOURG: Fishery ministers meet to discuss outstanding issues regarding a fishing agreement with Morocco.

GENEVA: The social affairs commissioner, Padraig Flynn, attends a meeting of the International Labor Office.

BRUSSELS: The transport commissioner, Neil Kinnock, meets Sir Colin Marshall, chairman of British Airways.

Sources: Agence Europe, AFP.

EUROPEAN TOPICS

Bikers Succeed Skiers In Flying Down Slopes

What to do with all those ski lifts and rock-covered mountain pistes if, as some predict, global warming dramatically shortens the ski season? Increasingly, European ski stations are opening their facilities to mountain bikers.

At Zermatt and Laax in Switzerland; Elbrus, Ischgl and Schefau in Austria; Chamonix and Metzabief in France, and Aspasia, Kreuzberg and Hausberg in Germany, lifts have been opened to sports riders with their bikes. Some resorts have reserved trails exclusively for bikers; group outings are increasingly common. The stations are thus appealing to a fast-growing group: In Germany alone, some 700,000 mountain bikes are sold each year, reports the German weekly Focus.

But environmentalists worry about the potential damage to vegetation. And the high speeds (up to 80 kilometers or 50 miles per hour) and steep gradients can lead to serious injuries — half of them to the bead.

Around Europe

Poland has Europe's most dangerous highways, in terms of deaths per population. A record 6,744 traffic deaths were reported there last year; in the first quarter of this year, there were 159 more than in the year-earlier period. The Poles are paying the price of an



LET'S GO! — A General Labor Confederation member blowing her whistle Wednesday as a Paris protest began.

change. In the last six years, the number of cars has doubled. Add to that an explosion in visitors — 16 million foreign vehicles crossed into Poland last year — and the country's inadequate roads and highways have become seriously overburdened.

What to do when a hostage-taker demands a fast getaway car? The situation seems to be arising more and more often in Germany. And when the demand is for, say, a Porsche 928 (as in a recent case), the police have their work cut out for them. Rental firms tend to be skittish. Sometimes calling on private individuals is an

answer. When the police in Cells were asked by two prison escapees for a fast car, they first called a big Porsche distributor. The dealer did not have the right model on hand but contacted a client — himself a regional police official. He agreed.

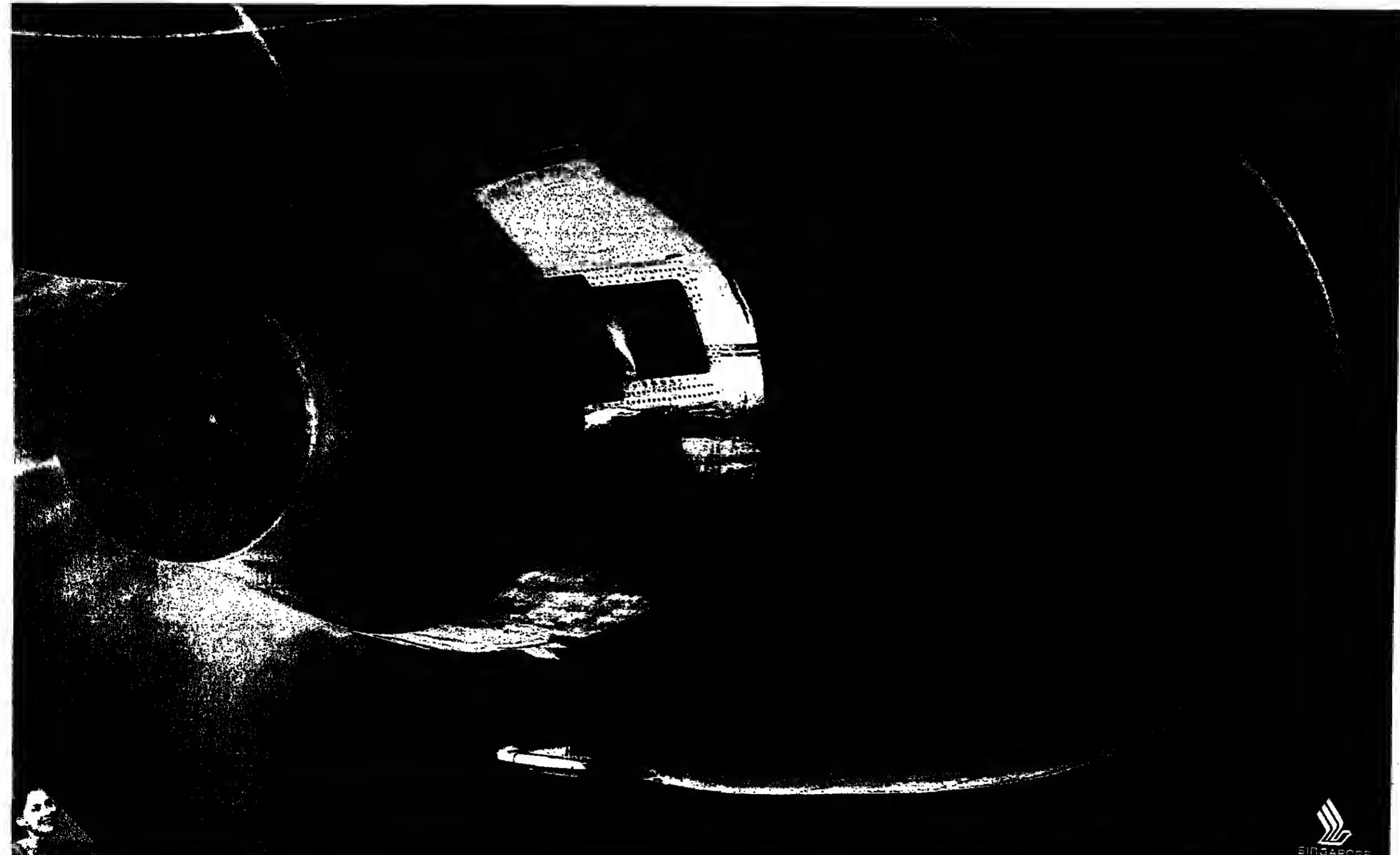
The decline of the Russian empire is being felt in French classrooms: The number of secondary school students studying Russian has dropped by more than one-third in the last 10 years. Nikita Strove, director of the Slavic language department at Nanterre University, blames the French news media for painting a

"much too negative image" of Russia.

The new geographic center of the European Union has been determined by the National Geographic Institute in Paris — but unfortunately, the place does not exactly exist.

When Austria, Finland and Sweden joined the EU, its center shifted from the French village of Saint-Clement, northwest of Lyon, to the commune of Viroinval in Belgium's Ardennes forest. But a frustrated reporter from the French daily *Le Figaro* found that there is no Viroinval; or rather, there is, but it combines eight towns and villages.

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THE WORLD'S YOUNGEST, MOST MODERN FLEET.



AN EYE FOR PROTEST — Supporters of Pakistan's Muhajir National Movement demonstrating Wednesday outside the Pakistan Embassy in Brussels as an embassy worker hurriedly installed a security camera. The group says that Pakistan's government discriminates against the Muslim immigrants from India known as Muhajirs.

Oliver Matthys/Agence France-Presse

Iraqi Army Repels Rebels Near Baghdad

Compiled by Our Staff From Dispatches

NICOSIA — Iraqi soldiers used tanks and helicopters to repel an assault by tribesmen and soldiers Wednesday on a radio transmitter outside Baghdad, dissidents said.

The reported fighting did not appear to threaten President Saddam Hussein's grip on power. But it was further evidence of unrest among the large Dulaime tribe, which dissidents say took part in riots in May in the western province of Al Anbar.

The attack was led by members of the tribe on a relay station in Abu Ghraib, the site of a military camp and prison, according to Hamid Bayati, a leader of an Iraqi opposition group in London, who was

quoting Bagdad sources. Transmission from the station, 20 kilometers (12 miles) west of Bagdad, stopped for a short period and then resumed.

An armored unit, the 14 July battalion, attacked the Bagdad Radio transmitters, as well as a heliport used by Mr. Saddam.

The attack, led by General Turki Ismail Dulaimi, touched off a battle with tanks, armored vehicles and helicopters, according to witnesses who were contacted by telephone from Amman, Jordan. An air force general was killed in the fighting around the heliport where several homes of pilots were hit, they said.

Mr. Saddam's special forces

later encircled the rebels. Iraq's Information Ministry called the reports "lies and wishful thinking."

But Mr. Bayati said the fighting involved soldiers and men from the Dulaimi Israeli military sources, speaking on condition of anonymity, said they had reports of a "serious battle." There was no immediate report of casualties.

The rebels were demanding the release of all Abu Ghraib's prison inmates, including hundreds arrested in troubled Anbar Province since May 18, the witnesses said.

Almost 850 people were rounded up after clashes that followed the return to his family of the mutilated body of an

executed Dulaimi air force general, according to residents of Ramadi, the capital of Anbar.

General Mohammed Mazlum Dulaimi was arrested in November for his alleged role in an attempted coup against Mr. Saddam. He was executed in mid-May.

(AP, AFP)

For investment information

Read the MONEY REPORT every Saturday in the IHT

By Todd S. Purdum
New York Times Service

WASHINGTON — After weeks of debate about how to confront the Republican-controlled Congress, President Bill Clinton has sketched his own plan for balancing the federal budget over the next decade.

But he would do it by cutting the growth of Medicare spending less than the Republicans want, making up the difference with a smaller income tax cut and reductions in corporate subsidies.

In a brief televised address from the White House on Tuesday night, Mr. Clinton committed himself to balancing the budget by 2005 — three years after the Republicans propose to — with spending cuts somewhat less severe and tax cuts far less deep and focused on the middle class.

The White House said that would allow him to preserve the programs Mr. Clinton wants to save.

"It won't be easy," Mr. Clinton said. "But elected leaders of both parties agree with me that we must do this, and we will."

Yet, in making his counter-proposals, Mr. Clinton ducked the advice of almost all his top White House advisers, and infuriated congressional Democrats, who argued that his criticisms of the Republicans' proposed cuts as a sop to the rich were just beginning to take hold. Republicans derided the

president's ideas as too little, too late.

Mr. Clinton proposes to save \$124 billion in Medicare costs over the next seven years, about half what the Republicans want. He would do so — as he did in his failed health proposal last year — in the name of expanding coverage and overhauling insurance laws.

He would also save \$25 billion by abolishing some tax subsidies for corporations, and would cut scores of discretionary domestic programs.

Tuesday night, as he sought to regain ground lost to the Republicans in Congress, Mr. Clinton for the first time embraced the goal of balancing the budget by a fixed date, a question he has always finessed.

His aides said he was trying to shift the debate with Congress from whether the budget could be balanced to how it should be. As a result, they said, he hoped to avoid a string of vetoes of spending bills later this summer, while persuading the public that he would stick up for his priorities.

"It took decades to run up this deficit," the president said. "It's going to take a decade to wipe it out." He said the budget could be balanced in seven years, but the pain that would inflict "just isn't worth it."

He ended his remarks of just over five minutes by saying, "Let's get to work."

But the president issued that call only after weeks of intense

internal debate in the White House, and just four months after offering a budget that left the hard choices to the Republicans and then tried to blame them for the inevitable cuts in popular programs.

The president spoke after a final, frantic day of preparations, in which he rewrote his own words up until the last minute, while senior budget aides and political advisers scrambled to outline complex proposals, including a revised, though scaled-back, overhaul of the health care system, in the opaque language of press releases.

The White House chief of staff, Leon E. Panetta, described Mr. Clinton's olive branch as "an act of optimism, an act of cooperation and leadership," an alternative to the orthodoxy of either party.

But many Democrats were unsparring in their criticism.

"I think most of us learned some time ago that if you don't like the president's position on a particular issue, you simply need to wait a few weeks," said Representative David R. Obey of Wisconsin, the ranking member of the House Appropriations Committee.

The leader of House Democrats, Representative Richard A. Gephardt of Missouri, said the president had turned Medicare into a political football.

But in recent weeks, aides say, Mr. Clinton has become increasingly convinced that he will not be seen as leading if he defines his presidency simply by saying no to the Republican advance, and that he is determined to be on what he calls

"the solution side" of the problems of the day, from welfare to education to health care.

His proposal Tuesday, sketchy and broad as it was, was littered with small gestures of good faith. He proposed to trim \$25 billion in corporate tax subsidies because that is the amount proposed by Representative John R. Kasich of Ohio, the chairman of the House Budget Committee.

Mr. Clinton would continue his promised expansion of the earned income tax credit that helps the working poor, in the face of Republican proposals to cut it by about \$21 billion.

But the White House said he would save \$3 billion by cracking down on fraud by illegal aliens who are not authorized to work in this country.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Fidelity Far East Fund, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg ("the Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11:00 a.m. on June 27, 1995, without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended February 28, 1995.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3rd, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Humilius and H.F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended February 28, 1995.
8. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with a minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: May 22, 1995
BY ORDER OF THE BOARD OF DIRECTORS

Fidelity Investments

Elusive 'John Doe 2' Looks Less Like Suspect, FBI Says

Reuters

WASHINGTON — Federal investigators pursuing the bombers of the federal building in Oklahoma City believe they have found the widely sought suspect known as "John Doe 2," but they doubt that he had any role in the attack. FBI officials said Wednesday.

After a two-month manhunt, the officials said the man is apparently a soldier from Fort Riley, Kansas, who happened to be at a rental agency at the same time that Timothy J. McVeigh, one of two men charged in the case, rented the truck that investigators say was used to carry the bomb.

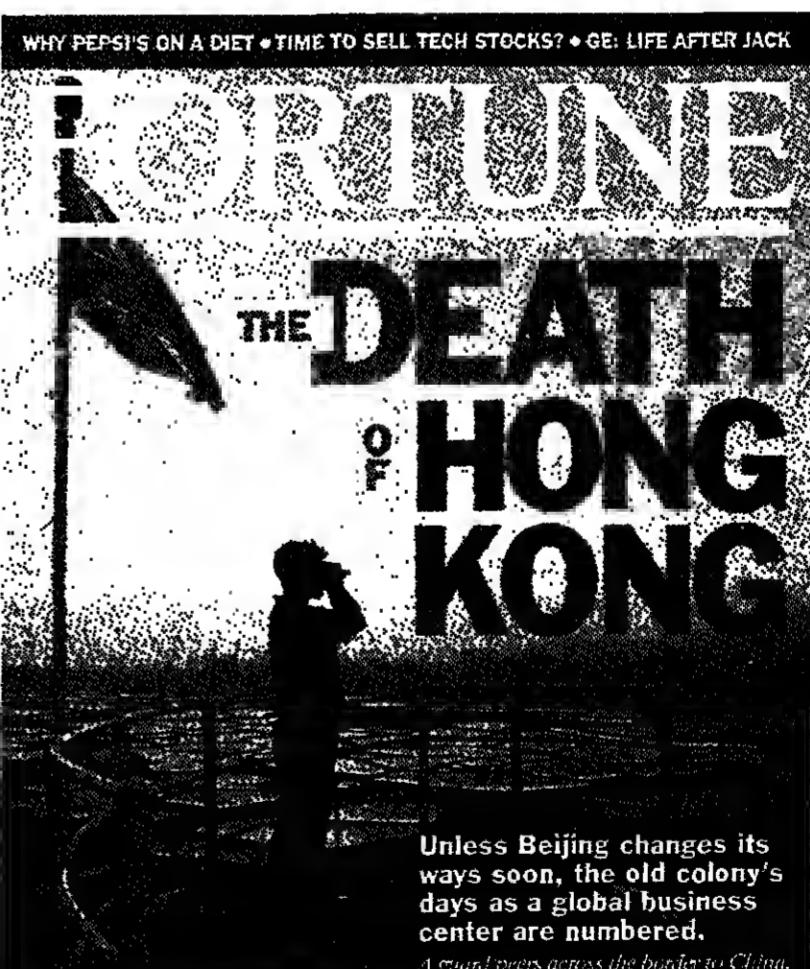
The officials said they believed that the soldier, Todd Bunting, was the man identified by a rental agent as John Doe 2, but that they must still resolve a number of questions.

As leads about the elusive John Doe 2 dwindled, officials said, investigators began to question whether he had any connection to the bombing, which killed 167 people.

The officials said investigators now think the bombing was carried out by Mr. McVeigh and an army friend, Terry L. Nichols, who also has been charged in the case.

GLOBAL/COVER STORY

"It's Over"



Despite the continued rhetoric from Beijing and its loyal retainers, the naked truth about Hong Kong's future can be summed up in two words: It's over. Find out why the city that FORTUNE recently named the "world's best for business" seems destined to become a global backwater. Read the fascinating, no-holds-barred story in the current issue of FORTUNE. On newsstands now.

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Portugal Esc	47,000	44	14,000
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G-7: Crash-Avoidance Work

When the heads of the seven big industrial democracies met a year ago, they agreed that the safety mechanisms in the world's financial system, and the crash-avoidance procedures, needed attention. On Thursday they meet again, in Halifax, Nova Scotia, after a year full of instructive disasters. The case of Mexico and its shrunken peso will hang heavily over their discussions.

When the peso fell, Mexico was able to avert even deeper damage only because the United States intervened with a very large loan. At Halifax, the Americans want agreement on future rescue arrangements that do not require them to come up quickly with large amounts of money.

The Clinton administration ran into much more political flak over the Mexican loan than it had expected. It probably could not have brought the operation off successfully for any country less closely interwoven with the United States. Any useful formula for international rescue is going to have to operate through channels less dependent on the special circumstances of the Mexican episode.

The Halifax meeting will probably spend some time lamenting Bosnia. One of the lessons of that tragedy is that the Europeans, rich and well-armed though they have become, are not yet able to work out effective security policy in the

—THE WASHINGTON POST.

Filling Out the Framework

A new nuclear agreement with Communist North Korea? Didn't the United States have one just last fall? Yes and no. In October, Americans and North Koreans negotiated an "agreed framework" for the buying out of the publicly acknowledged part — unfortunately, there is also an unacknowledged, suspected part — of the North's nuclear weapons program. The framework left unresolved, among other items, the matter of South Korea's provision of proliferation-unfriendly reactors to replace North Korea's existing proliferation-friendly reactors.

The new accord fills that gap, but it leaves "quite a list" of issues still to be settled, the U.S. State Department warns. These include the terms on which to ensure safe storage of the spent nuclear fuel rods — currently frozen — that the North has threatened to use to produce weapons-grade plutonium.

The matter of South Korean replacement reactors is crucial. Ever eager to cut out the South, the North insisted it would not take South Korean reactors, claiming they were unsafe and second-class and would be used as instruments of subversion. Rightly, the South insisted it had to supply the reactors, since it will be paying most of the \$4 billion bill and

—THE WASHINGTON POST.

A Fugitive in Cuba's Hands

With millions of dollars supposedly salted away from financial swindles and drug deals, Robert Vesco has eluded American law enforcement for 24 years, living in Costa Rica, the Bahamas, and most recently Cuba. Now his luck may have soured. The Cuban authorities have tossed Mr. Vesco in jail and seem ready to bargain with Washington for his return to the United States to stand trial on a variety of charges.

The Clinton administration should take advantage of the chance to gain custody of Mr. Vesco. If the chill between Havana and Washington is reduced in the process, all the better.

Mr. Vesco fled the United States in 1971 with more than \$200 million that the government says he looted from mutual funds. In return for shelter from the U.S. Justice Department, he provided a range of services to the foreign leaders who gave him sanctuary. He lived well in his various hideaways, maintaining lux-

—THE NEW YORK TIMES.

Other Comment

Civility for a Change

It wasn't on a philosophical or rhetorical level with the Lincoln-Douglas debates of 1858, by any means. For those with shorter memories and less elevated expectations it wasn't even the Lloyd Bentsen-Dan Quayle debate of 1988. In fact, it wasn't a debate or anything close to it. But the calm and respectful discussion of a few of the day's major public issues that President Bill Clinton and House Speaker Newt Gingrich held in the New Hampshire town of Claremont was a rare and pleasant reminder that civil discourse between strong political enemies is still possible in America.

No one expected the hour's worth of

—Los Angeles Times.

amity shown by the president and Mr. Gingrich to last, let alone to serve as the model over the 17 months of campaigning until the 1996 election. Mr. Clinton and Mr. Gingrich are both dedicated to winning. Mr. Clinton certainly intends to seek re-election. Mr. Gingrich surely would be available as the Republican candidate if he thought he could get the nomination. Absent that, he will continue using the formidable powers of his office to advance his party's fortunes. So Sunday's show of reasonableness, tact and courtesy was something of an anomaly. That was one of the things that distinguished it. The other was how pleased, even grateful, people were for the tone of what they heard.

—Los Angeles Times.

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America and Japan Step to the Brink

By Jim Hoagland

WASHINGTON — Mickey Kantor will wind up as the Marie Antoinette of the Clinton administration if his trade squeeze on Japan's luxury cars fails. Let them drive Mercedes

is not a phrase the Los Angeles lawyer wants to be remembered by.

But he risks that fate if Japan

stands firm against his threat to impose trade sanctions June 28. Slapping 100 percent tariffs on the Lexus and 12 other \$30,000-plus Japanese import models will shift much of the U.S. luxury car market to European suppliers like Mercedes. Shrewd as domestic politics, Mr. Kantor's choice of luxury automobiles as the battlefield with Japan is economically insignificant for the American work force and for the overall U.S. trade imbalance.

Slapping 100 percent tariffs on the Lexus and 12 other \$30,000-plus Japanese import models will shift much of the U.S. luxury car market to European suppliers like Mercedes. Shrewd as domestic politics, Mr. Kantor's choice of luxury automobiles as the battlefield with Japan is economically insignificant for the American work force and for the overall U.S. trade imbalance.

Shutting Lexus, Infiniti et al out of the U.S. market disturbs relatively few people. This narrow targeting fits Mr. Clinton's political needs. He must get tough on Japan, placate Detroit and not interfere seriously with the American consumer's God-given right to buy good goods for low prices.

The right to modern consumerism is a central enduring element of the American ethos; politicians tamper with it at their own peril.

But Kantor's choice contains strategic weakness. By condemning only luxury cars to trade purgatory, Mr. Kantor has not aroused the impassioned national

constituency that he needs to prosecute the serious, strategic trade struggle with Japan he may have unintentionally triggered.

Mr. Kantor proposed a limited,

low-pain "war," a wedge into Japan's overregulated automobile and spare parts networks. But the Japanese have surprised U.S. trade negotiators by treating the luxury-car ban as an American Pearl Harbor instead of an opportunity to fund compromise.

When President Bill Clinton and his advisers this spring charted their campaign to get Japan to open its markets more rapidly, they quickly discarded two other options. I am told.

One called for restrictions on virtually all Japanese auto imports. The other option was broader and targeted Japan's

strong new gains in electronics

and other high-tech fields. It threatened to target a large number of nonautomobile imports.

Mr. Clinton approved the surgical strike on luxury cars (their vital competitive element is electronics, not steel, and they are mostly money losers for their manufacturers). The result the Americans expected? The Japanese government would quickly muscle their car companies into an acceptable mix of "voluntary" restraints on exports and an opening up to U.S.-manufactured spare parts at home.

Instead, U.S. officials have de-

HUMBLY and WITHOUT EXCUSE, OVERCOME with REMORSE and in FULL AWARENESS of my MANY FAILINGS, MY INEXPERIENCE, MY LACK of SKILL, MY CLUMSY and INAPPROPRIATE MANNER, MY UNWORTHINESS and SHAMEFUL RUDENESS, with FULL REFLECTION, SELF-EXAMINATION, ASSUMING ALL BLAME and OPPROBRIUM...



of a key negotiators' meeting Wednesday before trying.

But it is clear that Washington underestimated both the mood of political insecurity in Tokyo, where a new political system is struggling to be born, and Japan's fierce pride in its role as supplier of "quality," or luxury if you prefer, to American consumers.

When Japan emerged as a global economic superpower, Americans savored such as Ezra Vogel said that "quality control" was the secret Japanese trade weapon. American consumers disgusted with shoddy Detroit products came to the same conclusion and began buying from Japan.

Now American "revisionists"

like Chalmers Johnson have replaced the Vogel generation, arguing that it is Japan's essential pimiciness and unfairness on trade that accounts for the giant U.S. trade deficit.

There is some truth to that. There is also a lot of sting for the Japanese in this shift in judgment by Americans. The Japanese public seems to be reacting to Mr. Kantor's limited war with broad and deep indignation, giving their politicians incentives to go to the brink. Stopping Tokyo's politicians, and the U.S. team, from stumbling over that brink must become an urgent priority for the president in the days to come.

The Washington Post.

Economic Growth Will Fail Us Unless Our Societies Grow, Too

By Jean-Claude Paye

The writer is secretary-general of the Organization for Economic Cooperation and Development.

are vitally linked. The information age brings prospects for expanded economic development for all parts of the world. It brings vast opportunity, at least to those who can face up to ever-fiercer competition. But that economic advantage can be pressed only if a society supports it.

Lasting economic growth is built on productivity, which depends on innovation, the ability to adjust, to restructure and to streamline — all of which involve people.

People need to acquire new skills, find new jobs, be flexible and mobile. Society needs to be cohesive and adaptive.

The human mind is our greatest hope for more security and a better standard of living. It is a powerful engine for progress. It can be an equally powerful brake.

The struggle of constantly sharpening the leading edge can be painful. The countries of the Organization for Economic

Cooperation and Development face intensifying competition from around the world. This difficult and unequal adjustment has sown doubt and eroded confidence in our postindustrial societies. There is some skepticism to whether economies will get richer and the riches will be shared fairly by all. Individual disenchantment could lead to political pressure to slow the process of change, to erect dikes against the rising tide of competition and to keep our foreign goods, services and people. It happened in the '30s; it could happen today.

So leaders worried about their economies need to focus on society's fraying fabric. If the warp of societal well-being is economic wealth, the weft is people who embrace and anticipate momentous change.

People need to be equipped with skills for tomorrow's jobs and to be helped through difficult trials. Entrepreneurial spirit must be stimulated by the freedom that allows initiative to be rewarded. Safety nets — like unemployment and welfare benefits — must be redesigned to offer insurance against mishaps but also to spur

adjustment to new environments. And, crucially, we must better understand the complex implications of societal change: aging populations, changing family patterns, evolving value systems, new forms for the structures that bind societies such as education systems or trade unions.

It will take vigor, inventiveness and commitment to suppress resentment and disillusionment. Failure to focus on the problems of society would endanger the very globalization that offers our future common prosperity, and would threaten the political stability of our countries.

OECD ministers have addressed this lock-step of economic and social progress. More than ever, we need to reshape our approach to economic analysis to incorporate the critical impact of societal evolution. International financial and economic organizations, however they evolve, must reflect that rethinking. G-7 leaders will serve many, far beyond their own countries, in focusing on the vital role societies play in bolstering economies.

International Herald Tribune.

For a Common, Not Single, Currency

By William Pfaff

PARIS — There is much mud-slinging good intention in the European debate today, particularly where the plan for a common currency is concerned. A green paper recently issued by the European Commission would have all European financial transactions conducted in this single European currency (called, for the moment, the Euro) by the year 2002.

A single currency is a splendid idea, if workable. That is not the case today, and it may not be by the end of the century. The British government does not want a single currency. The Germans are skeptical about it, and demanded criteria for its implementation meant to block any challenge to the power of the Bundesbank.

Few members of the European Union can today meet those criteria. Yet governments persist in the struggle to do so, seeing the single currency as a way to weaken German domination of European interests, with deflationary effect upon other economies. This is the unacknowledged purpose of the currency.

A research report from the European Parliament's Employment Committee says that if European governments pursue the convergence policies they are supposed to follow to make themselves eligible to join the single currency, 10 million more West Europeans risk being thrown out of work within the next four years.

That is what is implied by continued high interest rates and by the cuts in public spending necessary to meet the convergence criteria. The overall European Union unemployment rate now is around 11 percent. National policies that produce a continuing rise in unemployment are scarcely thinkable. Yet this would seem to be what the European governments have committed themselves to.

The advantages of a single European currency are obvious but utopian. It is impossible to have a single currency without a close integration of fiscal, budget and even social policies in all of the European states, where individual national economies are and will remain very different, in different stages of the economic cycle.

Today, only an inner core of countries, including Germany, France, the three Benelux countries and Austria seem capable of achieving the Maastricht goals within the next few years, and even France is questionable.

I have, myself, never under-

stood why monetary integration for Europe should not start (and perhaps remain) with a common monetary unit, rather than a single and exclusive one — an extra currency. Why should there not be an Ecu (or "Franken," if the Germans insist), based on a weighted (toward the stronger economies) average of European currencies and interest rates, in which to conduct Europe's international financial and business.

International contracts and international settlements could be denominated in this currency, rather than in national currencies or the dollar. This currency could be used by individuals. It would serve as a common currency, but not an exclusive one. It would serve as the money in which Europeans did their business with the rest of the world, and in which private and public transborder transactions would take place.

The chief objection I have heard to this is that it falls short of a desirable total integration. But is the total integration of national economies that today range from Germany's to Greece's, and in the future may include those of Romania, Bulgaria, Malta and others, really feasible, or desirable? The

International Herald Tribune.
Los Angeles Times Syndicate

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Dark and Stuffy

LONDON — In the House of Commons last night [June 14], amid laughter, derisive cheering and cries of "Are you going to the country?" the Government sustained a defeat by a majority of 20 in a House of 106 members. The issue was Mr. Cremer's proposal to reduce the vote for the Houses of Parliament buildings on the ground that while the officials of both Houses were provided with spacious residences at Westminster, absorbing some 315 apartments, Ministers had often to occupy rooms insufficiently lighted and ventilated in the basement.

The advantages of a single European currency are obvious but utopian.

It is impossible to have a single currency without a close integration of fiscal, budget and even social policies in all of the European states, where individual national economies are and will remain very different, in different stages of the economic cycle.

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Evoking Fears To Find How The Brain Works

By Daniel Goleman
New York Times Service

NEW YORK — It was an odd request. The woman, a patient with obsessive-compulsive disorder, was asked to bring two towels from home to a brain imaging laboratory at Massachusetts General Hospital in Boston. One towel was freshly laundered; the other she had used when she washed her hands after going to the bathroom.

For the woman, that used towel was an object of horror and dread. If she held it in her hand, it would trigger an overwhelming train of obsessions about contamination and germs, and an almost unbearable urge to wash immediately that if not acted on would set off a state of high anxiety. But despite her loathing, the woman held the soiled towel as she lay still inside the tube of a PET scanner.

The woman was one of several dozen patients with a range of psychiatric problems who, in the interests of science, have volunteered to have their worst symptoms provoked while images are made of their brains. The goal: to capture an image of the perturbations of their brains as they wrestle with their obsessions and compulsions.

The approach is adding a new level of detail to psychiatry's understanding of what goes wrong in the brains of patients when symptoms as diverse as post-traumatic stress, obsessions, phobias and delusions have them in their grip. "This approach lets us see the brain circuitry that presumably is involved in the symptoms themselves," said Dr. Scott Rauch, a psychiatrist at Harvard University Medical School who conducted the study of the woman with obsessive-compulsive disorder.

Dr. Daniel Weinberger, of the National Institute of Mental Health, said: "It's a long-standing mystery exactly what systems of the brain are active during psychiatric symptoms. If you take a brain scan of a psychiatric patient who is not having symptoms at the time, you don't know if what you see is related to the disorder. But if you evoke the symptoms, you are much surer that what you see physiologically bears a relationship."

Brain Signatures Of Psychiatric Reactions

Six patients with phobias about various animals showed characteristic brain activity when exposed to the objects of their phobias. At right, the composite data on their brain activity is shown in three panels, each a horizontal section through the brain at successively lower levels a few millimeters apart, just below the middle of the brain. The background represents an MRI of the brain structure. In PET scans of brain blood flow, the patients tested showed significantly greater activity, represented by bright spots, when faced with the objects of their phobias than when represented with a neutral control stimulus.

THE research strategy is very new. The first published report of the approach, Dr. Rauch's study of obsessive-compulsive patients, appeared last year. Last month researchers at the University of Washington School of Medicine in Seattle published findings in *The American Journal of Psychiatry* on patients who were hyperventilating during panic attacks.

While many previous studies have used brain images of patients with psychiatric disorders, little attention has been paid to the patients' mental state at the moment the images were made. Typically, patients have been asked to lie quietly during the procedure, under the assumption that the brain would be in a "neutral" state.

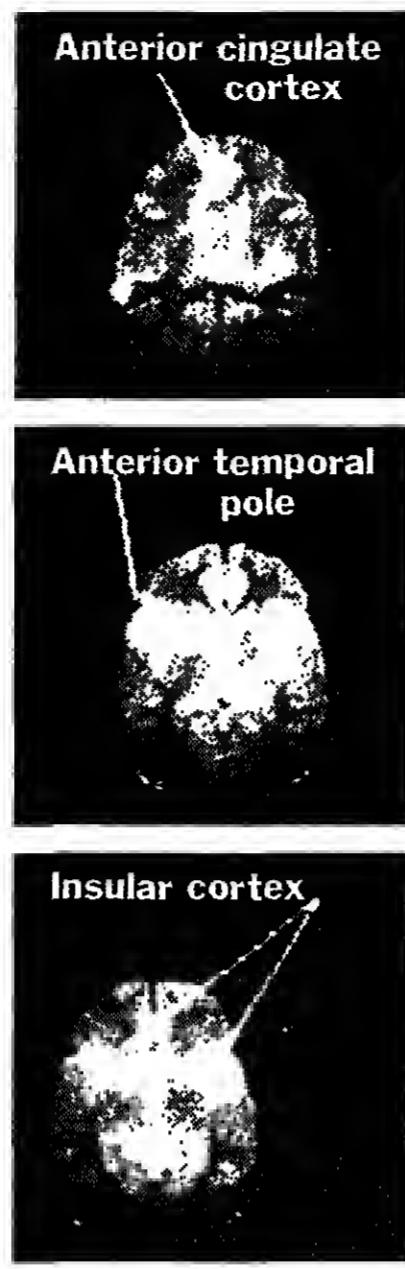
But as symptoms wax and wane, the images rendered of patients' brains can change drastically. "Simply asking patients to lie quietly fails to control for whether they are happily daydreaming, worried about their taxes or having a panic attack," said Dr. Rauch.

In the study of patients with obsessive-compulsive disorder, the onset of symptoms was carefully orchestrated with the brain images taken. The woman with the dread of soiled towels,

for example, first held the clean towel while she relaxed and inhaled a radioactively tagged form of carbon dioxide, which would highlight her brain activity during the PET scan.

After a 20-minute break while the radioactive markers decayed, she was handed the dirty towel. When she reported that her obsessions were in full sway, she inhaled the radioactive carbon again and a second image was made. Since the woman was touching a towel during both images, the researchers could differentiate between the brain activity associated with touching something and the brain activity associated with obsessive-compulsive disorder symptoms.

During the patients' symptoms, the PET scans showed heightened activity in the paralimbic belt, structures linked to the limbic system, the ancient emotional part of the brain. Most active were the insular cortex, a region enfolded deep within the cortex; the posterior orbitofrontal cortex, which lies behind the forehead; the anterior cingulate cortex, which is above and behind the orbitofrontal zone, and the anterior temporal cortex, just in front of the ears.



BOOKS

THE HAUNTED LAND: Facing Europe's Ghosts After Communism
By Tina Rosenberg. 437 pages.
\$25. Random House.

Reviewed by Marc Fisher

IN the eternal struggle between history and memory, a special chapter should be reserved for the criminals, co-conspirators and bystanders who manage to rewrite the past to award themselves the coveted title of "victim." When repressive governments and corrupt political systems finally fall, those who were the pillars of wrong transform themselves into the wronged. The latest example comes in central Europe, where deposed Communists and their vast armies of informers and snitches have spent the past five years explaining away old files, dodging prosecutors

and urging their countrymen not to judge the past by the standards of the present.

Tina Rosenberg, a journalist who previously devoted her attention to the black-hatted dictators of Latin America and their white-swathed, impoverished victims, spent a couple of years ranging around the former Eastern bloc, where she found trickier shades of gray. Totalitarian Communists in Poland, Eastern Germany and what is now the Czech Republic turned everyone into both victims of and participants in the system. So when it came time to create democratic institutions and confront the past, each country had frustratingly little to show for its efforts.

Rosenberg surveys the menu of central Europe's methods of "working through the past": official apologies, reparations, criminal trials, purges from office, truth commissions, even

staged confrontations between victims and their tormentors.

But she finds none of the strategies effective. In the Czech Republic, she discovers old Communist bureaucrats with a firm hold on money, access and contracts, despite a post-1989 law that banned party officeholders and secret police collaborators from jobs in government, university or state enterprises.

The Czech approach is arbitrary and unfair, Rosenberg concludes. "People have the right not to be heroes," she says, and the Czech system for vetting its citizens fails to show if someone was a dutiful socialist who nonetheless tried quietly to outwit the system.

The middle third of the book is mostly a profile of Wojciech Jaruzelski, the prim Polish general in the sunglasses who has transformed his popular image from Stalinist yes-man to patriotic hero. Rosenberg does not admire Jaruzelski, but she does probe his shadows enough to make him the book's most intriguing character.

Even in the former Eastern bloc, basic human sympathy for anyone who concedes fault can erase the deepest of resentments. Jaruzelski — a man who devoted himself to the Soviet system even after Stalinism ravaged his family — had only to apologize to his people and undertake a campaign to rehabilitate himself in the public eye, and, presto, his approval ratings soared.

Efforts to deal with the past reach their greatest bureaucratic efficiency and most ambiguous morality in Germany. Eastern Germans never had a chance to create their own process; it was imposed upon them by Western Germans only too eager to have another go at a process they

were vulnerable. The bidding: South West North

West South West North

South South West North

West South West North

East and West were vulnerable.

The bidding: South West North

West South West North

West led the spade five.

emotional part of the brain. Most active were the insular cortex, a region enfolded deep within the cortex; the posterior orbitofrontal cortex, which lies behind the forehead; the anterior cingulate cortex, which is above and behind the orbitofrontal zone, and the anterior temporal cortex, just in front of the ears.

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New Theory on Beginning of Animal Life

By Walter Sullivan
New York Times Service

NEW YORK — Four Texas geologists have reported evidence for animal life 400 million years earlier than previously assumed.

If the scientists' suspicions

prove true, the discovery would be a major one, since it has been believed that animals first appeared long after the first many-celled plants.

Similar reports have appeared in the past but have not been generally accepted. This one, published in the March issue of the journal *Geology*, is also being questioned. The evidence consists of rod-like thickenings of a thin layer of chert in a talc quarry in western Texas. It is proposed that these are the remains of sediment-filled tubes, "most likely the feeding traces of animals grazing on algal mats in shallow subtidal or intertidal environments." The authors, at Texas Christian University, were Dr. John A. Breyer, Dr. Arthur B. Busby, Dr. Richard E. Hanson and Edward C. Roy 3d. The slab containing the fossils was removed and taken to Fort Worth for study. Available data for the formation puts its age at 1.25 billion years.

The multicellular plants, or metaphytes, are believed to have appeared 1.3 billion years ago. The discovery, the authors say, could eliminate the mysterious lag between appearance of the first plants and first animals.

A leading specialist in the field, Dr. Bruce Runnegar of the University of California at Los Angeles, was skeptical. The traces do not resemble younger trace fossils, he said.

The radar picture of Geographos shows a small gallery of images, including those of the asteroids Gaspra and Toutatis, that are collectively giving scientists their first close-up look at these rocky masses

miles (4.8 kilometers) long, the most elongated object known in the solar system.

Asteroids are usually seen only as distant points of light, even in powerful telescopes.

The radar picture of Geographos joins a small gallery of images, including those of the asteroids Gaspra and Toutatis, that are collectively giving scientists their first close-up look at these rocky masses

that constantly hurtle through the solar system.

Some of the asteroids, including Geographos, have orbits that occasionally cross Earth's, thus threatening the planet with the possibility of cosmic bombardment.

The images are revealing

signs and shapes suggestive of long and cataclysmic histories.

"This object has a very unusual shape," Steven J. Ostro, a

senior scientist at the laboratory, and 11 colleagues wrote in the journal *Nature*.

Geographos was discovered in 1951 by scientists at the Palomar Observatory near San Diego. In 1969, it passed close to Earth and showed greater variations in brightness than any other asteroid. Scientists speculated that it was quite long, with its rotations causing changes in its illumination by sunlight.

Last year, when Geographos again passed close to Earth, astronomers at the Jet Propulsion Laboratory used a new radar system at the deep-space tracking station of the National Aeronautics and Space Administration in the Mojave Desert to obtain several images revealing the very long shape indicative of a cataclysmic past. Radio waves were bounced off the asteroid daily for a week last August.

proving that de-Nazification produced only 7,000 convictions in nearly 90,000 cases.

Instead of trials and purges, Rosenberg favors official efforts to correct the historical record, compensation for victims, and affirmative action for those denied opportunity under the old regime. And in the former Eastern bloc (except for Germany), it is hard to tell the visitors from the victims. Nearly everyone's dossier is gray.

"The Haunted Land" suffers somewhat from Rosenberg's late arrival in the region (she made her first trip in October 1991) and from her decision to cover three very different cultures and political sensibilities in one volume. There is a secondhand quality to many stories.

And because she limits her survey to government officials, prominent dissidents and others with experiences far from those of everyday citizens, Rosenberg ends up with a portrait that lends too much credence to the bitterness and disappointment of those who will never adjust to Western ways.

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NEW YORK — Prob-
ing the heavens with
a big radar system,
scientists at the Jet
Propulsion Laboratory in
Pasadena, California, have captured
the image of the asteroid
Geographos as it recently sped
close to Earth. It turns out to be
a cigar-shaped rock about three

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Continued on Page 18

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THURSDAY, JUNE 15, 1995

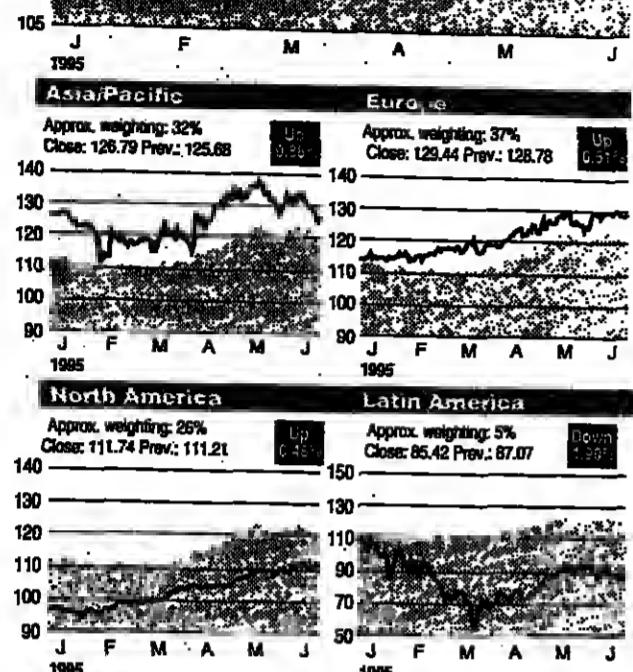
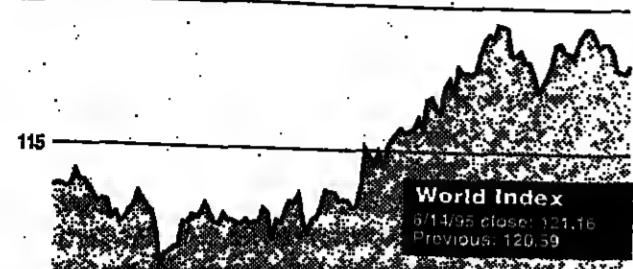
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THE TRIB INDEX: 121.16

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

125



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New Zealand, Norway and London, the index is composed of the top 20 issues in terms of market capitalization; otherwise the top 50 stocks are tracked.

Industrial Sectors		
Wed. close	Prev. close	% change
Energy 124.82	124.99	-0.14
Utilities 131.65	131.31	+0.26
Finance 118.79	117.98	+0.66
Services 113.88	113.15	+0.65

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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Executive In France Restricted By Judge

Reuters

PARIS — Compagnie Générale des Eaux, the French water and industrial-services concern, said Wednesday that its chairman had been placed under "judicial controls" stemming from allegations of corrupt practices.

But a company spokesman said the controls imposed by an investigative magistrate on Guy Dejouany were limited and did not interfere with his management of the company.

Mr. Dejouany, 74, appeared Monday before Judge Jean-Michel Pretre, who is investigating the alleged payment of bribes for a 1991 water contract for the municipality of Saint-Denis on the French island of Réunion in the Indian Ocean. Mr. Dejouany has denied any wrongdoing.

"The imposition of judicial controls, which the chairman learned after his meeting with the judge on Monday, is very limited," said the spokesman. "What is very important for us is that he can freely exercise his functions as chairman."

The spokesman said Mr. Dejouany had been harried from conferring with elected officials of Réunion who had been implicated in the case, adding that the chairman did not usually deal with them anyway.

In France, targets of official investigations may be put under judicial controls, whose terms are set by a judge.

After his meeting with the judge in Paris on Monday, Mr. Dejouany said, "I did not participate in any way in the events in question."

Générale des Eaux announced May 24 that Mr. Dejouany was being investigated. The case was the latest of several inquiries into alleged corruption and other illegal practices at French businesses.

Karel van Miert, the commissioner for competition, said the executive body of the

Contractors on Defensive Military Suppliers See a Wave of Mergers

By Barry James
International Herald Tribune

PARIS — After a decade in which military procurement has dropped 70 percent and a million jobs have been lost in the sector, U.S. defense contractors at the Paris Air Show say they can at last see light at the end of the tunnel.

But they predict more mergers and acquisitions as their market continues to contract over the next couple of years.

Senior executives of three major U.S. defense groups exhibiting at the air show — Northrop Grumman Corp., the newly merged Lockheed Martin Corp. and McDonnell Douglas Corp. — all contend they would hold their ground in the shrinking industry.

The three corporations are heavily dependent on U.S. defense procurement as they face yet another round of congressional budget cutting. U.S. arms exports have plunged 41 percent since 1987 and show little sign of recovering in the face of aggressive competition from Europe and other parts of the world.

"For planning purposes, we have to assume that the declines we have seen are permanent, but we also think we have reached a plateau for the

corporations competing for 497 aircraft orders. In fiscal 1996, there will be four corporations competing for 46 aircraft. Helicopter orders have fallen from 353 to 60 over the same period.

The Paris Air Show

there were 12 missile manufacturers competing for 87,700 missiles. Now there are eight manufacturers competing for 18,000 missiles.

McDonnell Douglas, which posted \$13.2 billion in sales last year, called this a "major paradigm shift — not business as usual."

Analysis said the shakeout in the industry was probably still only two-thirds complete, with tens of thousands of jobs still to be cut.

Nevertheless, the U.S. executives expressed confidence that their corporations were correctly positioned in the market and well placed to take advantage of any increase in orders.

"For planning purposes, we have to assume that the declines we have seen are permanent, but we also think we have reached a plateau for the

next five to 10 years," said George Hibbard, McDonnell Douglas's divisional director for international business.

"We think there will be continuing mergers and acquisitions and downsizing. But we have already gone through the pain, and we are stable. We have enough critical mass to compete but also the financial strength to make acquisitions if we want to."

Kent Kresa, the chairman of Northrop Grumman, said the company could continue at its current level even if Congress eventually decided not to order a further 20 of the B-2 strategic stealth bombers, one of which paid a brief visit to the air show on Sunday.

The B-2 costs an estimated \$1 billion, but the price would come down given a longer production run.

Northrop Grumman, had some \$4 billion in sales last year, including \$800 million worth of airframe and related equipment for Boeing and other civilian manufacturers.

Charles Manier, a Lockheed Martin spokesman, said that years of "free fall" in the industry were coming to an end.

"We think we are very

See DEFENSE, Page 14

U.S. and Japan Agree to New Talks on Autos

Compiled by Our Staff From Dispatches

TOKYO — Japan and the United States, trying to keep their dispute over automobile trade from marring the Group of Seven industrialized nations' summit meeting this week in Halifax, Canada, agreed on Wednesday to hold fresh talks on the dispute next week.

There was no guarantee, however, that the latest effort to find a solution to the long-running dispute would help avert U.S. trade sanctions that are due to be imposed in two weeks.

The United States confirmed it would resume automobile trade talks with Japan, "without preconditions or limitations" in Geneva next week, on Thursday and Friday.

Mickey Kantor, the U.S. trade representative, said Tokyo's announcement of the talks was helpful, but he stressed that if the talks did not produce an agreement, tariffs of 100 percent would be imposed on Japan's luxury cars on June 28. The tariffs amount to nearly \$6 billion on 13 car models made by five Japanese companies.

Mr. Kantor said a second round of meetings would be

held during the same period at the World Trade Organization "regarding technical issues."

"It's being done at this particular time, as much as anything, so as not to turn Halifax into an automobile meeting," a U.S. official in Tokyo said.

Mr. Kantor said he did not expect to discuss the dispute with his Japanese counterpart, Ryutaro Hashimoto, at the summit meeting that opens Thursday.

"I don't expect a meeting with Hashimoto at all," Mr. Kantor said. Mr. Hashimoto, Japan's minister of international trade and industry, has not "invited me to meet him anywhere," he added.

President Bill Clinton is scheduled to meet with Prime Minister Tomiichi Murayama in Halifax, and "bilateral concerns are not on the agenda at Halifax," Mr. Kantor said.

After 20 months of auto talks, Washington last month threatened to impose the punitive tariffs unless Japan expanded access to its auto and auto parts market, which Washington says is unfairly restrictive.

(Bloomberg, AFP, AP)

INTERNATIONAL MANAGER

Story of Risk-Taking Ends in Tragedy

Lee J. Miller
Bloomberg Business News

BANGKOK — Dumri Kosuntien liked to play when the stakes were high, whether on the golf course, in the casino or in the boardroom. In 1989, the company Mr. Dumri founded, Unicord Co., paid \$283 million for Bumble Bee Seafoods Inc., which owned what was then the third largest-selling brand of canned tuna in the world.

After six years of trying to win back his money, Mr. Dumri, 43, concluded all bets were off. He shot himself in the head in his office Tuesday shortly after lunch, the police said.

Unicord, which has a debt burden of \$150 million, faces a troubled future without the man who had been able to soothe creditors.

Banks made loans to Unicord because of Mr. Dumri's skills as an entrepreneur, an executive from a company that had supplied tuna to Unicord said. Without him, and with those big debts, Unicord is going to have trouble borrowing, he said.

Mr. Dumri founded Unicord in 1978. Within a decade he built it into one of Thailand's biggest tuna canners.

But he was not satisfied. He persuaded lenders to put up about 85 percent of the money he needed to buy Bumble Bee from Pillsbury Co., the U.S. food company that just had been taken over by Grand Metropolitan PLC of Britain.

"In retrospect, Unicord was in way over its head," said Sunthorn Ruckpanich, vice president of Union Asia Finance, a unit of Sunthorn Ruckpanich, vice president of Union Asia Finance.

Co., a unit of Bangkok Bank Ltd. "But with the right pitch, it probably sounded like a perfect match at the time."

Among the lenders were Bangkok Bank, Bankers Trust New York Corp. and Heller Financial Inc.

If buying Bumble Bee was not a mistake, Unicord's subsequent strategy was.

Immediately after the takeover, Mr. Dumri tried to grab market share by

Unicord, which has a large debt burden, faces a troubled future without the man who had been able to soothe creditors.

cutting prices. Soon Bumble Bee surpassed the No. 2 brand, Chicken of the Sea, owned by Stokely-Van Camp Inc., though it remained well behind the leader, Star-Kist, owned by H.J. Heinz Co.

"Dumri bought market share by dumping product," said Tim Real, general manager of Tri-Marine International Inc., a seafood supplier. "So he was losing money to reach his ultimate goal — to become the No. 1 tuna cannery."

Unicord had a loss of \$21 million last year and lost an additional 171 million baht in the first quarter of this year.

This week, Unicord denied in a report to the Stock Exchange of Thailand that

Bangkok Bank was demanding repayment of 1 billion baht by year-end.

Deja Tulananda, Bangkok Bank's senior executive vice president, told the Bangkok Post that a rescheduling of Unicord's debt would be discussed at the bank's next board meeting. He said Unicord's problems would be solved if the company could sell Bumble Bee Seafoods.

That, though, is easier said than done. Mr. Dumri tried to sell Bumble Bee's brand name but not its three factories in California, Puerto Rico and Ecuador. The potential buyer was Chemical Venture Partners, a group of former Bumble Bee executives and Chemical Bank. Unicord said in February that a letter of intent had been signed to sell Bumble Bee for \$155 million.

The announcement was premature. The potential buyers were not pleased about the publicity, said a Unicord executive who asked not to be identified.

Unicord stock rose on news of the deal, and Mr. Dumri profited from that, the executive said, while other executives were not told much about the deal.

At the company's request, Unicord shares were suspended Tuesday. They last traded at 5.80 baht, down from this year's high of 7.40, reached in February when news of the sale was prematurely released. That sale still has not taken place.

The stock once traded at 160 baht in the over-the-counter market shortly before the company was listed on the Thai stock exchange in 1989.

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At the company's request, Unicord shares were suspended Tuesday. They last traded at 5.80 baht, down from this year's high of 7.40, reached in February when news of the sale was prematurely released.

This week, Unicord denied in a report to the Stock Exchange of Thailand that

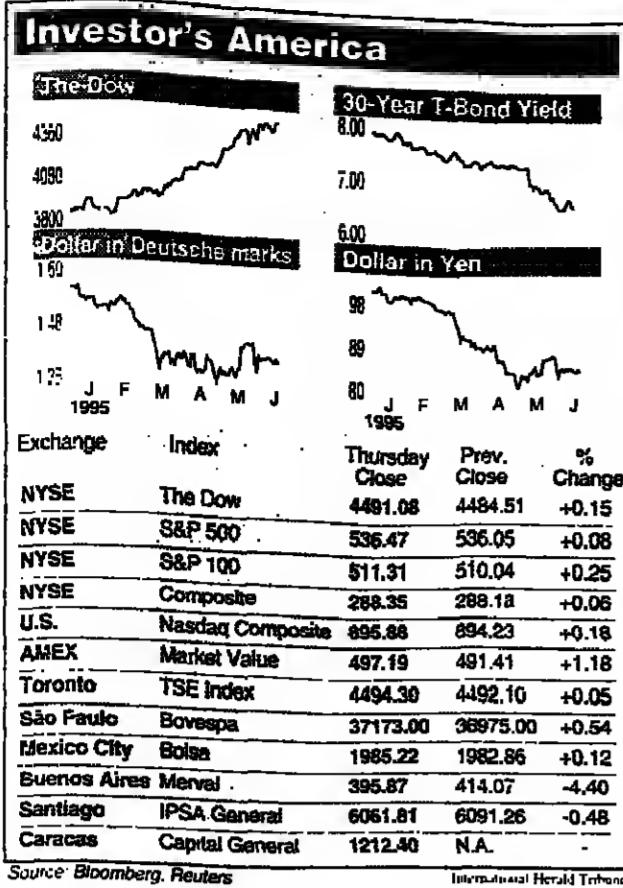
Bangkok Bank was demanding repayment of 1 billion baht by year-end.

Deja Tulananda, Bangkok Bank's senior executive vice president, told the Bangkok Post that a rescheduling of Unicord's debt would be discussed at the bank's next board meeting.

That, though, is easier said than done. Mr. Dumri tried to sell Bumble Bee's brand name but not its three factories in California, Puerto Rico and Ecuador. The potential buyer was Chemical Venture Partners, a group of former Bumble Bee executives and Chemical Bank. Unicord said in February that a letter of intent had been signed to sell Bumble Bee for \$155 million.

The announcement was premature.

THE AMERICAS

**In U.S., Ad Spending Is Booming**By Stuart Elliott
New York Times Service

NEW YORK — Slowdown, schmardown. The leading forecaster of advertising spending in the United States has again revised upward his already optimistic projections for this year and issued an initial assessment for 1996 that is equally rosy.

"Despite a lot of negative rhetoric" about the potential for a weakening national economy, "the media marketplace is still very firm and expanding," said Robert J. Coen, senior vice president and forecasting director at McCann-Erickson USA in New York.

"The biggest advertisers are spending aggressively," he added. "Demand is very strong."

Mr. Coen spoke Tuesday at a seminar sponsored by McCann and its parent, the Interpublic Group of Companies, at the University Club in Manhattan. This

was the 22nd annual midyear forecast for ad spending by Mr. Coen, who has been tracking marketing and media trends for 47 years and offers his predictions in June and December.

A year ago, Mr. Coen estimated that ad spending in the United States in 1995 would total \$15.7 billion. In December, he revised that estimate to \$15.9 billion. Now, he says, the total is likely to reach \$16.1 billion. That would be 7.9 percent higher than his final figure for 1994, which was \$15.0 billion.

The increase for 1995 is "really outstanding," Mr. Coen said, "particularly on top of the strong gain we had in 1994." Spending last year grew 8.7 percent from \$13.8 billion in 1993.

Ad spending is considered an indicator of economic health because marketers will raise or lower the amounts of money they budget to pitch products depending on their gauging of consumer moods. "The outlook for national adver-

tising is much stronger than I thought," Mr. Coen said.

Mr. Coen was once almost always bullish on ad spending, often issuing estimates higher than the data later proved. But he has tempered that chutzpah since the recession in 1990. "This year, I think he's right," said James D. Dougherty, who follows the agency industry for the brokerage Dean Witter Reynolds in New York. "He's got the numbers."

Last year and this year are "the best two-year period in the U.S. advertising business in 10 years," added Mr. Dougherty. "And this recovery is in place since 1996."

Mr. Coen said he had raised his forecast for 1995 largely because of data for the first quarter indicating that the full year would be better than he had anticipated.

In the largest consumer-product categories, many advertisers increased spending "on top of unbelievably strong gains in the first quarter of 1994," he said.

Blue-Chips Edge To Record High

Compiled by Our Staff From Dispatches

NEW YORK — Stocks crept higher Wednesday, with blue-chips closing at another record, though the broad market was held back by concerns about the potential for slower corporate profit growth this year.

Rohm & Haas fell 1% to 52. Dow Chemical fell 4% to 70, and DuPont lost 7% to 65%.

Lower Treasury bond prices also dulled investors' enthusiasm for stocks. The price of the benchmark 30-year issue fell 10/32 point, to 113 23/32, while the yield rose to 6.57 percent from 6.55 percent Tuesday.

The Dow Jones industrial average closed at a record 4,491.08 points, up 6.57, but declining issues outnumbered losing ones by an 11-to-10 ratio on the New York Stock Exchange.

Investors have to give some attention toward a slowdown in earnings progress," said Peter Canino, managing director at Aelius Investment Management Inc. "We've talked to a few companies recently, and things have turned sluggish. People are less sanguine about earnings prospects to come."

Humana was the most actively traded issue on the Big Board, falling 3 1/4 to 19% after it said higher medical costs would hold its second-quarter earnings below analysts' estimates. That pulled down other health insurance stocks, with United Healthcare falling 2% to 40.

Cor Therapeutics lost nearly half its value, plunging 8 1/2, to 104, after the company's flagship heart attack drug delivered disappointing results in late-stage clinical trials. (Bloomberg, AP, NYT)

Very briefly:**Transport Chiefs' Troubled 777 Ride**

WASHINGTON (AP) — One of Boeing Co.'s new 777 airliners experienced a cabin pressure problem while carrying Transportation Secretary Federico P. Pefia on a cross-country demonstration flight. The Federal Aviation Administration reported Wednesday.

In addition to Mr. Pefia, the plane was carrying a delegation of transportation ministers from Asian countries.

The flight from Washington to Denver was traveling at 35,000 feet when the pressure fluctuation occurred. Oxygen masks did not deploy as they should if pressure is lost, but no damage or injuries were reported. The flight continued at an altitude of only 10,000 feet, arriving about 90 minutes late in Denver, where inspectors were investigating the incident.

• Du Pont Co. was sued by nine former supervisors, all males, who charged the company with age, race and sex discrimination.

• Sprint Corp. said it might spin off its cellular telephone operations to comply with federal limits on the number of cellular businesses a company can own.

• Moody's Investors Service Inc. lowered its rating for senior debt of Bankers Trust New York Corp. to A2 from A1. Moody's said the change was prompted by continuing concern about the business impact of recent market moves.

• Initia Inc., a California-based software company, filed with the U.S. Securities and Exchange Commission to sell 1 million shares of stock in a secondary public offering.

• Oracle Systems Corp. and Intel Corp. said they had reached an agreement to develop interactive video services for personal computers.

AFX, Bloomberg, Reuters, Knight-Ridder

DEFENSE: U.S. Contractors Foresee Wave of Mergers and Acquisitions

Continued from Page 13

close to the bottom," he said. "This is something we were prepared for. In the mid-1980s, we knew the Reagan buildup could not continue, even though we were not smart enough to foresee the fall of the Berlin Wall."

Mr. Manor predicted the market for defense equipment would bottom out in a couple of years and that the shakeout in the industry still had some way to go.

Lockheed Martin, which had combined sales of \$23 billion last year, is more diversified

than many of its rivals. Mr. Manor said, with about 40 percent of its business in civilian areas and 17 percent in international sales.

Apart from having to cope with the problem of repeated budget cuts, the defense industry is having to think about a different kind of warfare—low-level, low-technology and regional conflicts.

The industry executives said that in such a climate, high technology becomes even more important in order to find and

attack elusive targets without causing damage to civilian populations.

According to Mr. Kresa, "regional conflicts—which are considered likely by defense planners—will place a premium on rapid, flexible, survivable and highly integrated defense systems capable of operating at great distances from the United States."

Meanwhile, Boeing Commercial Airplane Group announced it had received enough commitments from airlines to proceed

with plans to build a stretched version of the 777 airliner, which is making its international debut at the air show.

The plane, to be called the 777-300X, will be capable of carrying up to 550 passengers in an all-economy layout. It will serve routes of up to 10,500 kilometers (6,000 miles).

Boeing announced that it had orders for 31 of the aircraft from All Nippon Airways, Cathay Pacific Airways, Korean Air and Thai Airways International.

Dollar Slides as the Bundesbank Stands Pat on Interest Rates

With the Clinton proposal at odds with those advanced by Republicans in Congress, "it looks like we'll get gridlock," he said.

Prospects for a balanced budget can help the dollar by instilling confidence in U.S. assets.

Mr. Rothfield said the dollar could fall to 1.35 DM and 80 yen by the end of June if Mr. Clinton and the Congress did not agree on a plan to eliminate the federal deficit.

The dollar is struggling because "the U.S. economy continues to weaken and the chance of getting anything done on reducing the budget deficit is questionable," said Mr. McCarthy.

WORLD STOCK MARKETS

Wednesday, June 14										Thursday, June 15										Friday, June 16														
Prices in local currencies.					High					Low					Close					Prev.					High					Low				
Todays					High					Low					Close					Prev.					High					Low				
High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.			
Frankfurt	1000	990	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000		
Johannesburg	192.55	191.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55	191.50	190.50	190.50	192.55		
Amsterdam	1000	990	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000		
Bangkok	371.73	370.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73	370.73	369.73	369.73	371.73		
Helsinki	1000	990	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000		
Bombay	1000	990	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000		
Hong Kong	1000	990	980	1000	990	980	980	1000	990	980	980	1000	990	980	980	1000	990	980																

Compagnie de Suez Considers Suitor For Banking Unit

Compiled by Our Staff From Dispatches

PARIS — The chairman of Compagnie de Suez said Wednesday the company was considering seeking an external partner for its Banque Indosuez unit and would make a decision in the next week.

Gerard Worms also told the company's annual general meeting that Suez was considering adding retailing to its businesses. Mr. Worms has held talks with François Pinault, who controls the department store company Pinault-Printemps-Redoute SA.

Jacques Friedman, chairman of Union des Assurances de Paris, criticized Suez at the meeting for lacking a global strategy. Mr. Friedman, whose company owns 9.6 percent of Suez's voting rights, said "recent developments in the company are not satisfactory and justify a firm reaction."

Analysts have also said Mr. Worms must find a new strategy for Suez, which they say has a large amount of cash after selling its insurance business but no clear corporate policy.

Mr. Worms said Banque Indosuez, which is burdened with

bad property loans, had not performed particularly well in the first quarter.

"We are currently examining how to give them the means to achieve a level of profitability," he said. He added that a partner would be sought for Indosuez if it was necessary.

Gerard Worms also told the company's annual general meeting that Suez was considering adding retailing to its businesses. Mr. Worms has held talks with François Pinault, who controls the department store company Pinault-Printemps-Redoute SA.

The sale of Indosuez is not out of the question — raising the possibility that potential buyers may start showing up.

"We haven't given anyone a mandate," a spokeswoman for Suez said, when asked this month whether the bank was for sale. But the spokeswoman added, "it's not a taboo subject."

The prospect of a sale comes amid speculation that Suez may be at risk of a takeover bid from Banque Nationale de Paris and Union des Assurances de Paris. Analysts said last week that a link with Pinault-Printemps would be aimed at warding off predators. Shares in Suez fell 0.60 to 262 francs (\$53.25).

(Bloomberg, Reuters, AFX)

Sparebanken Raises Stakes In Battle for Norgeskreditt

Compiled by Our Staff From Dispatches

OSLO — Sparebanken NOR, known internationally as Union Bank of Norway, said Wednesday it had outbid Christiania Bank AS for Norgeskreditt Holding AS.

Sparebanken said it would pay 220 kroner (\$35) for each preference share in the mortgage and financial services company, topping Christiania's bid of 200 kroner a share. Norgeskreditt has 15.34 million preferred shares outstanding.

Norgeskreditt said it had asked Sparebanken to launch a counter bid to Christiania to try to get a better deal for shareholders. It said Christiania's bid had left too many questions unanswered about the future structure of Norgeskreditt.

"The bid from Sparebanken NOR appears to be better on all

points of significance," Norgeskreditt said. "The board will, however, consider both bids when the final prospectuses are published and will offer its view to the shareholders before June 21."

Holders of 90 percent of Norgeskreditt's shares must approve Sparebanken's offer for it to go ahead.

Sparebanken said it would allow Norgeskreditt to remain an independent operation and retain its name. Trond Wænberg would retain his position as managing director.

Sparebanken's offer is valid from next Tuesday to July 3. It is contingent on Sparebanken acquiring all of Norgeskreditt's ordinary shares, which are now held by a foundation called Stiftelsen Norgeskreditt.

(AFX, Reuters)

Struggling to Create Jobs Europe Tries to Make Workers Less Costly

By Craig R. Whitney
New York Times Service

The Associated Press

PARIS — Though the headlines would suggest that European leaders are obsessed with the quadrigme in Bosnia, the most intractable problem facing most of the 15 countries of the European Union is jobs.

With unemployment rates above 12 percent in France and Italy, 23 percent in Spain and about 9 percent in Germany, joblessness is at the highest levels since recovery from World War II, and politicians are under pressure to get it down.

Compagnie de Suez has said the sale of Indosuez is not out of the question — raising the possibility that potential buyers may start showing up.

"We haven't given anyone a mandate," a spokeswoman for Suez said, when asked this month whether the bank was for sale. But the spokeswoman added, "it's not a taboo subject."

The prospect of a sale comes amid speculation that Suez may be at risk of a takeover bid from Banque Nationale de Paris and Union des Assurances de Paris. Analysts said last week that a link with Pinault-Printemps would be aimed at warding off predators. Shares in Suez fell 0.60 to 262 francs (\$53.25).

(Bloomberg, Reuters, AFX)

ers with high hourly wages, long vacations and comprehensive health and welfare packages.

But voters do not want to lose these benefits, so Europe is only slowly beginning to chip away at the edges of the welfare state and trying to leave the foundations intact.

Germany, Europe's biggest economy, has had three consecutive years of union wage settlements below the rate of inflation, leaving millions of workers in the unheard-of predicament of effectively having less money in their paychecks than they had the year before.

Now, in France, Mr. Chirac is trying to shift some of the burdens of paying for

the Group of Seven major industrial powers meet in Halifax, Nova Scotia, this week.

France's plan to bring down its unemployment rate — which is more than twice that of the United States and higher than that of Japan, Germany, Canada, Britain or Italy — will be closely examined when leaders of the

Group of Seven major industrial powers meet in Halifax, Nova Scotia, this week.

The annual increase in workers' average earnings was unchanged at 3.5 percent in the three months to April, the government said. Analysts said this was encouraging for the inflation outlook.

Unit labor costs for British manufacturers rose 2.4 percent in April from a year earlier. That followed a 1.7 percent rise in the first quarter.

(Bloomberg, Knight-Ridder)

Portugal Leads The Labor Table

The Associated Press

BRUSSELS — People in Portugal work longer than any other national group in the European Union, while the Dutch work the shortest hours, according to an EU survey released Wednesday.

The report said Portuguese workers put in an average of 1,823 hours a year, compared with 1,451 in the Netherlands.

The Dutch, however, have fewer public holidays — six a year, than any other country.

Germans have the most vacation time, an average of 30 days a year. Ireland has the least, averaging 20 days.

The survey covered part-time and full-time workers.

health and social security benefits away from employers onto the general tax rolls.

Some people are skeptical of his plan will work. "There are so many rigidities in our economy," said Edmund Bonin, a retired businessman in Reims who argued that government regulations and ingrained public attitudes made it difficult for local enterprises to create jobs.

"It is an aberration nowadays to pay people a 13th or even a 14th-month salary every year, but we do, and they want to bang onto these things," he said. "What we need is to change the way the French think, but that will take a generation."

Mr. Chirac plans legislation to cut back the government-imposed payroll taxes, provide subsidies to companies that hire certain workers and raise the minimum wage.

Adding in the cost of other initiatives, the effort could cost \$15 billion a year, money the government will probably have to find by raising taxes.

Most European countries are unwilling to follow the lead of the United States, which has created millions of jobs by allowing companies to hire part-time employees without the traditional full benefits.

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(Bloomberg, Knight-Ridder)

KHD Chief Steps Down As Firm Struggles

Reuters

BONN — The chief executive of Klöckner-Humboldt-Deutz AG stepped down Wednesday amid widespread reports of a conflict with Deutsche Bank AG, the company's biggest shareholder.

The resignation of Werner Kirchgässner, chairman of the management board since 1991, was announced after a special meeting of the supervisory board, which had been preceded by weeks of speculation that he would step down.

"Kirchgässner took over the chairmanship in a particularly difficult phase, and the reorientation he introduced will be a considerable precondition for KHD's recovery," the supervisory board's chairman, Michael Endres, said. The company said the new chairman, Anton Schneider, would take the helm at the struggling machinery maker Thursday.

KHD quoted Mr. Schneider as saying he would concentrate on strengthening the company's core businesses, improving costs and reaching out more to customers. Mr. Schneider, 43, was on the board of the shipbuilder Bremer Vulkan Verband AG until March.

In January, KHD announced a package of measures, including a capital rise and capital write-down, after reporting a loss of 480 million Deutsche marks (\$340.8 million) for 1994.

Deutsche Bank holds about 48 percent of the group's capital. Mr. Endres, a senior Deutsche Bank executive, replaced Hilmar Kopper, the bank's chairman, as supervisory board chairman of KHD in January.

In January, KHD announced a package of measures, including a capital rise and capital write-down, after reporting a loss of 480 million Deutsche marks (\$340.8 million) for 1994.

Deutsche has agreed to write off 150 million DM of KHD debt and join other creditor banks to issue a credit line of 200 million DM.

As part of a restructuring plan, KHD sold off its farm machinery business and will now concentrate on bringing its main businesses, plant construction and diesel engine construction, back to profit.

KHD has undergone several restructurings, slashing more than 13,000 jobs since 1987.

Investor's Europe

Frankfurt	London	Paris
DAX	FTSE 100 Index	CAC 40
2152	3406	2002
2100	3300	1935
2050	3200	1850
2000	3100	1755
1950	3000	1700
1993 J F M A M J	1995 J F M A M J	1995
1995	1995	1995
Exchange	Index	Wednesday
		Prev. Close
		Close
Amsterdam	EOE	430.57
Brussels	Stock Exchange	7,569.79
Frankfurt	DAX	2,125.02
Copenhagen	Stock Market	358.66
Helsinki	HEX General	1,853.36
Oslo	OBX	381.88
London	FTSE 100	3,339.80
Madrid	Stock Exchange	285.47
Milan	MIBTEL	9,757.00
Paris	CAC 40	1,893.65
Stockholm	SX 16	1,715.92
Vienne	ATX	1,016.62
Zurich	SP1	1,841.12

Source: Telekurs International Herald Tribune

Very briefly:

• DHL Worldwide Express said Eurotunnel, the publicly traded British-French company that manages the Channel Tunnel, had provided more reliable service with fewer delays recently.

• Shiva Corp. will buy Spider Systems Ltd., a British maker of computer-network equipment, for \$80 million in stock.

• Maurice Levy, chairman of Publicis SA, said the French communications and advertising concern expected to post an "improved" profit in 1995 but that there was "little chance of much progress in sales" beyond the 20 billion francs (\$4 billion) that the company posted in 1994.

• Lyonnaise des Eaux, a French water and waste-systems concern, said its profit would show a double-digit increase in 1995.

• Thorn EMI PLC, a British music company, said it and its partner Investcorp SA would sell 57.5 million shares in TLG PLC, a lighting-equipment firm, at 150 pence (\$2.25) a share.

• Bank of Norway revised its forecast for 1995 consumer-price inflation to 2.50 percent from 2.75 percent.

• Portugal approved the privatization of the country's largest cigarette maker, Tabacalera, of which the state plans to sell 80 percent to a single investor, either domestic or foreign, through a system of competitive bids.

• Dutch producer prices were unchanged in April compared with March but rose 3.9 percent over the like month last year.

• Swiss corporate bankruptcies totaled 433 cases in May, up 11 percent from 390 cases in May 1994, according to Creditreform, a Swiss credit-monitoring agency.

• France posted a preliminary current-account surplus of 6.72 billion francs (\$1.36 billion) for March, compared with a surplus of 8.57 billion francs in February. France's current-account surplus for the first three months of 1995 was 47.62 billion francs, compared with 19.51 billion francs in the like period of 1994.

• Finland's unemployment rate fell half a percentage point in May, to 17.8 percent; 448,000 people were recorded as out of work during the month, compared with 459,300 in April and 468,700 in March.

• Reuters, Bloomberg, AFX, AFP, AP, Knight-Ridder

U.K. Jobless Ranks Thin Only Slightly

Compiled by Our Staff From Dispatches

LONDON — The number of jobless in Britain fell by 10,000 to 2,317,000 in May, the Department of Employment said Wednesday.

It was the 21st consecutive monthly decline, but the smallest drop since January 1994. Analysts had expected a larger drop. The unemployment rate was unchanged at 8.3 percent.

The annual increase in workers' average earnings was unchanged at 3.5 percent in the three months to April, the government said. Analysts said this was encouraging for the inflation outlook.

Unit labor costs for British manufacturers rose 2.4 percent in April from a year earlier. That followed a 1.7 percent rise in the first quarter.

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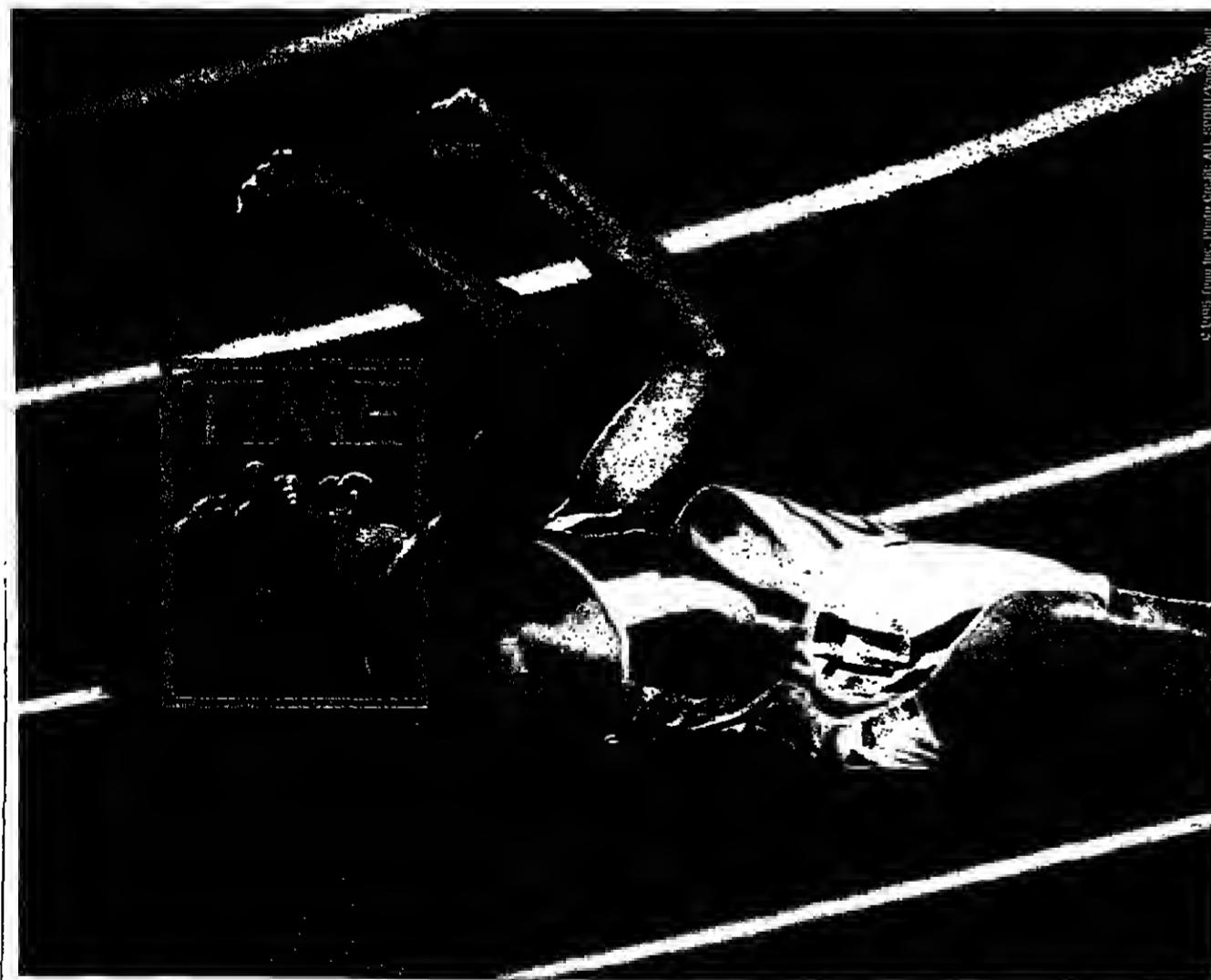
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NYSE

Wednesday's 4 p.m. Close

(Continued)



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SPORTS

Devils Eliminate Flyers, 4-2, Will Play Detroit in Final

The Associated Press

EAST RUTHERFORD, New Jersey — The New Jersey Devils finally reversed the direction of the "Turnpike Series" and are now headed to Detroit for the Stanley Cup finals.

In wrapping up the Eastern Conference final in six games with a 4-2 victory Tuesday night over the Philadelphia Flyers, the Devils became the first team in the series to win at home.

That put them into their first Stanley Cup final, where they meet the Red Wings in the first game Saturday at the rink of the Western Conference champions.

"Tonight, we went out and created opportunities," said the New Jersey forward, Randy McKay, trying to explain why the Devils finally broke the home-team spell in this bizarre series, in which the visitors had had a 5-0 edge.

"I think we got away from our game plan a little bit in the third and fourth games" at the Meadowlands. "I thought we were sitting back too much and letting things happen. We definitely didn't have the intensity in these games."

The Devils opened the series with 4-1 and 5-2 victories in Philadelphia before coming home to lose by 3-2 in overtime and then 4-2. They then went back to Philadelphia and won Game 5 by a 3-2 score.

For a while, it looked as if the home ice "disadvantage" would hold up in Game 6, when Jim

Montgomery gave the Flyers a 1-0 lead at 4:05 of the first period.

"The first five minutes, I thought we came out strong, and the first couple of shifts after the goal we were strong," said Montgomery, who beat Martin Brodeur with a shot from the blue line that made the Devils' goaltender look had for a change.

"Then they got us back on our heels. You have to give them credit. They did what they had to do."

It's actually what the Devils didn't do that was the key to the

NHL PLAYOFFS

game: They didn't let the Flyers make it 2-0, defenseman Scott Stevens said.

"When the other team gets the first goal, you can't let them get another one," Stevens said. "You have to get a goal back yourself. Then it's like starting over, nothing-nothing."

And so that's just what the Devils did, keying off their suffocating "neutral-zone trap" defense that pretty much kept the Flyers blanketed.

The Devils didn't take long to tie, as Stephane Richer scored at 10:25 on a power play from the left circle. The Flyers' goaltender, Ron Hextall, was leaning to his left trying to prevent a shot by Neal Broden, who instead put a no-look pass on Richer's stick. All Richer had to do was shoot the puck into a wide-open net.

Always a difficult team to come back against, the Devils made it even tougher when McKay's goal from the slot finished off a 2-on-1 with Bobby Holik at 11:58 of the second. It was the fourth goal of the series for McKay — at that point giving him as many goals as the Flyers' vaunted "Legion of Doom" line of Eric Lindros, Mikael Renberg and John LeClair.

With a 3-1 lead going into the third period, the Devils were as good as in the final. They lost only once in 22 games this season when carrying a lead into the final period; that, not incidentally, came in Game 4 of this series at home.

When Claude Lemieux scored his 11th playoff goal on a breakaway at 10:11 of the final period, the Flyers could have packed it in. All they got was a rest of the night was a harm-

The final whistle blew Martin Brodeur right off the ice.

less goal with 3:31 left from Renberg.

As the seconds ticked down toward the Devils' third trip to the final, Brodeur reflected on how slow the time was going.

He also was thinking back to 1994, when the Devils blew a 3-

2 lead in games in the conference finals and lost the series to the eventual Stanley Cup champion New York Rangers.

"I remember what happened last year," said Brodeur, who only had to make 14 saves Tuesday night. "I wanted to prove I could bring a team to the finals."

Indians Romp Over Orioles

Martinez Ignores Injured Knee to Go 6-0

The Associated Press

ra hit two solo homers for Chicago, which won on the road for only the fifth time in 20 games this season.

Ronald Hernandez, who got the win in relief, threw a save in the ninth when Ruben Sierra made it 6-6 with a two-run, two-out homer.

YANKEES 10, TIGERS 4: With owner George Steinbrenner sitting behind the dugout, visiting New York won for only the

AL ROUNDUP

fifth time in 21 games as Mike Stanley hit a grand slam and drove in a career-high six runs.

Jack McDowell snapped a career-worst string of eight straight starts without a victory, winning for the first time since his first start of the season, April 28 in Kansas City.

RED SOX 11, BLUE JAYS 7: Reggie Jefferson and John Valentin both homered and drove in four runs, but Boston outfielder Mike Greenwell spent the night in a Toronto hospital after injuring his neck crashing his headfirst into the left-field wall.

Greenwell, who also had

inured, was taken off the field in the seventh after he was hurt chasing Roberto Alomar's triple.

Valentin, who went 3-for-4 with two walks, matched his career high set in 1993 with his 11th home run of the season.

BREWERS 14, RANGERS 2: Texas' six-game winning streak ended in Milwaukee when starter Kevin Gross allowed six earned runs on eight hits in just 4½ innings. Gross leads the AL in runs allowed (52).

Fernando Vina had three singles and two RBIs, and Jose

Valentin had three RBIs for the Brewers.

ROYALS 3, MARINERS 1: Vince Coleman extended his hitting streak to 17 games, and Kansas City, which scored twice in the

seventh in Seattle, won its fourth straight.

ANGELS 7, TWINS 2: Rookie

outfielder Garret Anderson hit his first major league homer as Shawn Boeckel remained undefeated in Anaheim to become the first starter for California to win his first five decisions of a season since Terry Clark in 1988.

Greenwell, who also ho-

kep the game close, and they will break loose," Martinez said.

WHITE SOX 7, ATHLETICS 6: Oakland's comeback from a two-run deficit in the bottom of the ninth was ruined when Frank Thomas homered for Chicago with one out in the top of the 10th.

Thomas also doubled in a run in the first, while Robin Ventu-

run-scoring innings with singles as Los Angeles won in Pittsburgh.

Los Angeles led off each of the first six innings with hits, and four of the runners scored as Jon Lieber continued to struggle in Three Rivers Stadium, where he is 0-5 with a 7.26 ERA this season. Ten of the 19 Dodgers hitters face Lieber this week.

METS 7, MARLINS 3: Jeff Kent, coming off a 10-game road trip in which he batted .188, hit a homer, a triple and a single and drove in two runs as New York,

playing at home, ended a three-game losing streak by defeating Florida.

CUBS 3, CUBS 4: Mike Benjamin got his second straight four-hit game as San Francisco won 4-3, defeating Atlanta on Tuesday night to halt their own six-game losing streak and the Phillies' four-game winning streak.

Gonzalez struck out twice and hit a weak fly ball in his first three at-bats.

"He had been eating me up all game," Gonzalez said. "It was a fork ball down and in and I was fortunate enough to get it off."

Schilling, who struck out 10, took a three-hitter and a 5-2 lead into the eighth. But the Astros loaded the bases on a walk to Brian Hunter and singled by Craig Biggio and Jeff Bagwell.

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